

United States
Circuit Court of Appeals

For the Ninth Circuit.

Transcript of Record.
(IN THREE VOLUMES.)

JOHN GRANT LYMAN,

Plaintiff in Error,

vs.

UNITED STATES OF AMERICA,

Defendant in Error.

VOLUME I.
(Pages 1 to 416, Inclusive.)

Upon Writ of Error to the United States District Court of the
Southern District of California, Southern Division.

Filed

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INDEX TO THE PRINTED TRANSCRIPT OF RECORD.

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	Page
Affidavit in Forma Pauperis.....	1321
Application of O'Rourke to Panama Dev. Co. for Land	659
Application of Werner for Land.....	683
Assignment of Errors.....	1075
Attorneys, Names and Addresses of.....	1
Bill of Exceptions.....	196
Bond Pending Decision Upon Writ of Error...	1308
Certificate of Clerk U. S. District Court to Judg- ment-roll	195
Certificate of Clerk U. S. District Court to Tran- script of Record.....	1325
Citation on Writ of Error.....	3
Demurrer to Indictment.....	41

EXHIBITS:

U. S. Exhibit No. 1—Letter April 18, 1911, Lyman to Stoddard Incorporating Co.	203
U. S. Exhibit No. 2—Letter, April 21, 1911, Stoddard to Lyman.....	205
U. S. Exhibit No. 3—Letter, April 28, 1911, Lyman to Stoddard Incorporating Co.	206
U. S. Exhibit No. 3—Letter, July 24, 1911, Panama Development Co. to Stoddard Incorporating Trust Co.....	207

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 4—Letter, May 26, 1911, Panama Dev. Co. to Stoddard Incorporating Trust Co.	378
U. S. Exhibit No. 4—Letter, August 9, 1911, Panama Dev. Co. to Stoddard Incorporating Co.	380
U. S. Exhibit No. 6—Stoddard to Panama Development Co.	208
U. S. Exhibit No. 8—Certified Copy Articles of Incorporation of Panama Development Co.	212
U. S. Exhibit No. 9—Letter, March 30, 1911, Lyman to de la Guardia.	220
U. S. Exhibit No. 10—Letter, April 8, 1911, Lyman to de la Guardia.	221
U. S. Exhibit No. 11—Letter, April 14, 1911, Lyman to Hernan de la Guardia.	222
U. S. Exhibit No. 12—Letter, April 15, 1911, Lyman to de la Guardia.	224
U. S. Exhibit No. 14—Letter, April 20, 1911, Lyman to de la Guardia.	227
U. S. Exhibit No. 15—Letter, May 2, 1911, Lyman to de la Guardia.	229
U. S. Exhibit No. 17—Letter, May 11, 1911, Lyman to de la Guardia.	233
U. S. Exhibit No. 18—Letter, May 16, 1911, Lyman to de la Guardia.	236
U. S. Exhibit No. 19—Letter, May 16, 1911, Lyman to de la Guardia.	237
U. S. Exhibit No. 20—Letter, May 16, 1911, de la Guardia to Lyman.	242

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 21—Letter, May 27, 1911, Lyman to de la Guardia.....	239
U. S. Exhibit No. 22—Letter, May 31, 1911, Lyman to de la Guardia.....	246
U. S. Exhibit No. 23—Letter, June 15, 1911, de la Guardia to Lynn.....	250
U. S. Exhibit No. 24—Letter, June 21, 1911, de la Guardia to Lynn.....	251
U. S. Exhibit No. 25—Letter, June 23, 1911, Panama Development Co. to de la Guardia	258
U. S. Exhibit No. 26—Letter, June 23, 1911, Panama Development Co. to de la Guardia	260
U. S. Exhibit No. 27—Letter, June 23, 1911, Panama Development Co. to de la Guardia	261
U. S. Exhibit No. 28—Letter, July 5, 1911, Panama Development Co. to de la Guardia	262
U. S. Exhibit No. 29—Letter, July 10, 1911, Lyman to de la Guardia.....	263
U. S. Exhibit No. 30—Letter, July 11, 1911, Panama Development Co. to de la Guardia	264
U. S. Exhibit No. 31—Letter, July 12, 1911, de la Guardia to Lyman.....	268
U. S. Exhibit No. 32—Letter, July 18, 1911, Lyman to de la Guardia.....	273

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 33—Letter, July 25, 1911, Lyman to de la Guardia.....	275
U. S. Exhibit No. 34—Letter, July 31, 1911, de la Guardia to Panama Development Co.	278
U. S. Exhibit No. 35—Letter, July 29, 1911, Lyman to de la Guardia.....	282
U. S. Exhibit No. 37—Letter, de Guardia to Lynn	289
U. S. Exhibit No. 38—Letter, August 12, 1911, Lynn to de la Guardia.....	291
U. S. Exhibit No. 45—Prospectus of Pan- ama Development Co.....	312
U. S. Exhibit No. 46—Land Agreement of Panama Dev. Co.....	319
U. S. Exhibit No. 48—Prospectus of Pan- ama Dev. Co.....	324
U. S. Exhibit No. 49—Application for Land	329
U. S. Exhibit No. 51—Circular of Panama Dev. Co.	382
U. S. Exhibit No. 63—Circular of Panama Dev. Co.	337
U. S. Exhibit No. 64—Letter, July 19, 1911, Panama Dev. Co. to Segnogram Press.	339
U. S. Exhibit No. 66-A—Agreement for Cultivation of Land of Panama Dev. Co.	340
U. S. Exhibit No. 66-B—Agreement for	

INDEX.

Page

EXHIBITS—Continued:

Cultivation of Land of Panama Dev. Co.	343
U. S. Exhibit No. 70—Letter, May 27, 1911, Panama Dev. Co. to Security Savings Bank	356
U. S. Exhibit No. 72—Statement of Pan- ama Dev. Co. to Bradstreet's.....	473
U. S. Exhibit No. 73—Letter, May 27, 1911, Panama Dev. Co. to R. G. Dun & Co..	358
U. S. Exhibit No. 74—Minutes of Meeting of Board of Directors of Panama Dev. Co., May 16, 1911.....	360
U. S. Exhibit No. 75—Note, August 16, 1911, of Panama Dev. Co.....	372
U. S. Exhibit No. 76—Letter, June 3, 1911, Panama Dev. Co. to Los Angeles Stock Exchange	373
U. S. Exhibit No. 77—Deed August 10, 1911, Elizabeth Leach to Panama Dev. Co....	389
U. S. Exhibit No. 78—Agreement—August 10, 1911, Panama Dev. Co. and Eliza- beth Leach	392
U. S. Exhibit No. 79—Agreement—August 9, 1911, Panama Dev. Co. and Elizabeth Leach	394
U. S. Exhibit No. 81—Agreement—Panama Development Co. and Frances B. Haldeman	398
U. S. Exhibit No. 82—Agreement—June 24,	

	Page
INDEX.	
EXHIBITS—Continued:	
1911, Panama Dev. Co. and Frances B. Haldeman	401
U. S. Exhibit No. 83—Deed June 29, 1911, Frances B. Haldeman et al. and Panama Dev. Co.....	404
U. S. Exhibit No. 85—Agreement, June 23, 1911, Panama Dev. Co. and E. D. Ryan.	407
U. S. Exhibit No. 86—Letter, August 25, 1911, — to John Redpath.....	518
U. S. Exhibit No. 86—Letter September 5, 1911, — to “Mr. Redpath”.....	417
U. S. Exhibit No. 88—Letter, September 1, 1911, “L” to “Redpath”.....	410
U. S. Exhibit No. 89—Letter, September 4, 1911, — to “Mr. Redpath”.....	411
U. S. Exhibit No. 91—Telegram, September 4, 1911, to “Panamano”.....	414
U. S. Exhibit No. 92—Telegram, “R” to J. G. Lyman.....	414
U. S. Exhibit No. 93—Day Lettergram, September 5, 1911, “L” to John Redpath..	415
U. S. Exhibit No. 94—Cablegram, September 5–11—“Panamano”	416
U. S. Exhibit No. 95—Cablegram, September 5, '11, Amiel to Panamano.....	417
U. S. Exhibit No. 104—Cablegram, September 8, 1911, — to Panamano.....	419
U. S. Exhibit No. 108, Check, June 29, 1911, Panama Dev. Co. to Howard Auto Co..	422

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 111, Letter June 2, 1911, —— to John Redpath.....	451
U. S. Exhibit No. 114—Letter, June 10, 1911, John Redpath to H. C. McKee...	456
U. S. Exhibit No. 115—Certified Copy of Articles of Incorporation of Panama Sugar Estates Co.....	463
U. S. Exhibit No. 115, Letter, June 9, 1911, —— to Panama Dev. Co.....	455
U. S. Exhibit No. 116—Certified Copy of Articles of Incorporation of Tropical Products Company, Limited.....	468
U. S. Exhibit No. 118—Form of Letter of Panama Dev. Co.....	482
U. S. Exhibit No. 125—Advertisement of Panama Dev. Co.....	487
U. S. Exhibit No. 136—Advertisement of Panama Dev. Co.	490
U. S. Exhibit No. 144—Letter, June 19, 1911, Panama Dev. Co. to Paul A. Hauser	497
U. S. Exhibit No. 145—Letter, Panama Dev. Co. to Mrs. Dr. Steele.....	500
U. S. Exhibit No. 146—Letter, June 19, 1911, Panama Dev. Co. to O. Hellwig..	503
U. S. Exhibit No. 147—Letter, July 10, 1911, Panama Dev. Co. to Mrs. O. Hellwig	505
U. S. Exhibit No. 148—Letter, August 25,	

INDEX.

Page

EXHIBITS—Continued:

1911, Panama Dev. Co. to Thomas O'Rourke	519
U. S. Exhibit No. 149—Letter, August 23, 1911, Thomas O'Rourke to "The Secretary"	521
U. S. Exhibit No. 150—Letter, September 5, 1911, Panama Dev. Co. to N. Campbell.	587
U. S. Exhibit No. 151—Letter, July 24, 1911, Panama Dev. Co. to O'Rourke..	661
U. S. Exhibit No. 152—Letter, September 6, 1911, John G. Lyman to F. T. Morrison	533
U. S. Exhibit No. 158—Letter, September 5, 1911, — to N. R. Bell.....	536
U. S. Exhibit No. 160—Letter, September 6, 1911, — to Jacob Vandegrift.....	539
U. S. Exhibit No. 161—Lettergram, B. B. Bush to John G. Lyman.....	544
U. S. Exhibit No. 161—Letter, August 25, 1911, B. B. Bush to John G. Lyman....	542
U. S. Exhibit No. 161—Letter, August 26, 1911, — to B. B. Bush.....	543
U. S. Exhibit No. 161—Letter, September 6, 1911, John G. Lyman, to B. B. Bush.	543
U. S. Exhibit No. 161—Letter, September 6, 1911, — to B. B. Bush.....	544
U. S. Exhibit No. 162—Day Lettergram, September 4, 1911, — to Byrd.....	1013
U. S. Exhibit No. 164—Letter, August 28,	

INDEX.

Page

EXHIBITS—Continued:

1911, Panama Dev. Co. to S. L. Anderson	568
U. S. Exhibit No. 166—Letter, August 29, 1911, N. Campbell to Panama Dev. Co..	584
U. S. Exhibit No. 167—Letter, May 26, 1911, Panama Dev. Co. to French & Co.	593
U. S. Exhibit No. 168—Letter, July 21, 1911, Panama Dev. Co. to R. Spofford French	596
U. S. Exhibit No. 169—Letter, August 1, 1911, R. Spofford French to "Mr. Lyman"....	599
U. S. Exhibit No. 170—Letter, August 2, 1911, — to R. Spofford French.....	601
U. S. Exhibit No. 171—Letter, August 4, '11, R. Spofford French to Panama Dev. Co.	602
U. S. Exhibit No. 172—Letter, August 5, 1911, Panama Dev. Co. to R. Spofford French	603
U. S. Exhibit 173—Letter, August 7, '11, R. Spofford French to Panama Dev. Co.....	604
U. S. Exhibit No. 174—Letter, August 8, 1911, Panama Dev. Co. to R. Spofford French	605
U. S. Exhibit No. 175—Letter, July 31, '11, R. Spofford French to Panama Dev. Co.....	609

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 176—Letter, August 10, '11, R. Spofford French to Panama Dev. Co.....	611
U. S. Exhibit No. 177—Letter, August 11, 1911, Panama Dev. Co. to R. Spofford French	612
U. S. Exhibit No. 178—Letter, August 8, '11, French to Lyman.....	620
U. S. Exhibit No. 179—Letter, August 9, 1911, Panama Dev. Co. to French.....	621
U. S. Exhibit No. 180—Letter, July 10, 1911, Panama Dev. Co. to Wagner...	639
U. S. Exhibit No. 181—Contract, May 18, 1911, Panama Dev. Co. and the "Los Angeles Examiner"	646
U. S. Exhibit No. 182—Advertisement in "Examiner" of August 30, 1911.....	648
U. S. Exhibit No. 183—Advertisement in "Examiner" of September 1, 1911....	648
U. S. Exhibit No. 184—Letter, June 20, 1911, Panama Dev. Co. to O'Rourke...	651
U. S. Exhibit No. 185-A—Letter, June 24, 1911, Panama Dev. Co. to O'Rourke...	653
U. S. Exhibit No. 185-B—Blank Applica- tion for Land	653
U. S. Exhibit No. 186-A—Letter, June 28, 1911, Panama Dev. Co. to O'Rourke...	655
U. S. Exhibit No. 187—Letter, July 1, 1911, Panama Dev. Co. to O'Rourke.....	656

INDEX.

Page

EXHIBITS—Continued:

U. S. Exhibit No. 188—Letter, July 27, 1911, Panama Dev. Co. to O'Rourke.....	663
U. S. Exhibit No. 189—Letter, July 23, 1911, O'Rourke to "Secretary".....	666
U. S. Exhibit No. 190—Letter, July 20, 1911, Panama Dev. Co. to O'Rourke.....	667
U. S. Exhibit No. 191—Letter, July 18, 1911, O'Rourke to "Secretary".....	668
U. S. Exhibit No. 192—Letter, July 13, 1911, Panama Dev. Co. to Anderson..	672
U. S. Exhibit No. 194—Letter, May 23, 1911, Panama Dev. Co. to Werner.....	677
U. S. Exhibit No. 195—Letter, May 27, 1911, Panama Dev. Co. to Werner.....	678
U. S. Exhibit No. 196—Letter, June 1, 1911, Panama Dev. Co. to Werner.....	680
U. S. Exhibit No. 197—Letter, June 3, 1911, Panama Dev. Co. to Werner.....	681
U. S. Exhibit No. 198—Letter, June 3, 1911, Panama Dev. Co. to Werner.....	684
U. S. Exhibit No. 199—Letter, July 10, 1911, Werner to Panama Dev. Co.....	685
U. S. Exhibit No. 200—Letter, July 11, 1911, Panama Dev. Co. to Werner....	686
U. S. Exhibit No. 205—Guarantee, August 1, 1911, Panama Dev. Co. to Van Buren	722
U. S. Exhibit No. 206—Letter, June 6, 1911, Panama Dev. Co. to P. A. H.....	724
U. S. Exhibit No. 207—Letter, June 29, 1911, Panama Dev. Co. to Hauser.....	727

INDEX.

Page

EXHIBIT—Continued:

U. S. Exhibit No. 208—Letter, August 4, 1911, Panama Dev. Co. to Hauser.....	728
U. S. Exhibit No. 210—Receipt, August 16, 1911, of Panama Dev. Co.....	734
U. S. Exhibit No. 211—Letter, August 7, 1911, Panama Dev. Co. to Leach.....	748
U. S. Exhibit No. 212—Letter, June 23, 1911, Hladish to Panama Dev. Co.....	758
U. S. Exhibit No. 213—Letter, June 26, 1911, Panama Dev. Co. to Hladish....	759
U. S. Exhibit No. 214—Letter, June 16, 1911, Panama Dev. Co. to Hladish....	761
U. S. Exhibit No. 215—Letter, June 28, 1911, Panama Dev. Co. to Hladish....	763
U. S. Exhibit No. 216—Letter, July 21, 1911, Panama Dev. Co. to Hladish....	765
U. S. Exhibit No. 218—Letter, July 18, 1911, Panama Dev. Co. to Ryan.....	804
U. S. Exhibit No. 218—Letter, — to Scholling	805
U. S. Exhibit No. 219—Blank Check of Panama Dev. Co.....	836
U. S. Exhibit No. 220—Blank Check of Panama Dev. Co.....	837
U. S. Exhibit No. 223—Letter, Panama Dev. Co. to —.....	1022
U. S. Exhibit No. 225—Letter, July 13, 1911, Smith, Dalby-Welch, Ltd. to Panama Dev. Co.....	1006
U. S. Exhibit No. 226—Letter, August 15,	

INDEX.

Page

EXHIBITS—Continued:

1911, Panama Dev. Co. to Smith, Dalby-Welch, Ltd.	1030
Defendant's Exhibit "E"—Affidavit of George M. Byrd.....	554
Defendant's Exhibit "F"—Circular Issued by French & Co.....	625
Defendant's Exhibit "G"—Letter, May 29, 1911, French to Panama Dev. Co.....	625
Defendant's Exhibit "J"—Letter, July 30, 1911, J. R. Thomas to Panama Dev. Co.	961
Defendant's Exhibit "J"—Letter, August 26, 1911, Panama Dev. Co. to Thomas..	962
Defendant's Exhibit "K"—Letter, April 21, 1911, to Hale.....	886
Defendant's Exhibit "L"—Letter, April 27, 1911, Hale to Lyman.....	888
Defendant's Exhibit "M"—Letter, April 24, 1911, — to Hale.....	889
Defendant's Exhibit "N"—Letter, May 2, 1911, — to Hale.....	891
Defendant's Exhibit "O"—Letter, May 9, 1911, Hale to Lyman.....	894
Defendant's Exhibit "P"—Letter, May 15, 1911, — to Hale.....	896
Defendant's Exhibit "Q"—Letter, May 27, 1911, Hale to Lyman.....	899
Defendant's Exhibit "R"—Letter, 8/4/11, — to Hale.....	901
Defendant's Exhibit "S"—Letter, July 19, 1911, — to Hale.....	902

INDEX.

Page

EXHIBITS—Continued:

Defendant's Exhibit "T"—Letter, June 5, 1911, — to Hale.....	904
Defendant's Exhibit "U"—Letter, June 13, 1911, Hale to Lyman.....	905
Defendant's Exhibit "V"—Letter, July 12, 1911, Hale to Lyman.....	906
Defendant's Exhibit "W"—Letter, April 17, 1911, — to Quelquejeu.....	990
Defendant's Exhibit "W"—Letter, May 5, 1911—Quelquejeu to Lyman.....	992
Defendant's Exhibit "W"—Letter, May 16, 1911, Panama Dev. Co. to Quelquejeu.	992
Defendant's Exhibit "W"—Letter, June 1, 1911, — to Quelquejeu & Co.....	995
Fourth Count of Indictment.....	28
Fifth Count of Indictment.....	33
Further Instructions of the Court to Jury.....	188
Indictment	5
Instructions of Court to Jury.....	181
Instructions of Court to Jury.....	1050
Instructions Requested by the Defendant and Refused by the Court.....	1058
Instructions to the Jury Requested by Plaintiff.	165
Instructions to the Jury Requested by Defend- ant.....	169
Judgment.....	194
Judgment, Copy.....	193
Minutes of Court—October 6, 1913.....	47
Minutes of Court—January 9, 1914.....	193
Minutes of Meeting of Board of Directors of Panama Dev. Co., August 8, 1911.....	365

INDEX.

Page

Minutes of Meeting of Board of Directors of Panama Dev. Co., August 11, 1911.....	364
Minutes of Meeting of Board of Directors of Panama Dev. Co., August 16, 1911.....	368
Minutes of Meeting of Board of Directors of Panama Dev. Co., August 21, 1911.....	369
Minutes of Trial—October 16, 1913.....	49
Minutes of Trial—October 17, 1913.....	56
Minutes of Trial—October 21, 1913.....	62
Minutes of Trial—October 22, 1913.....	67
Minutes of Trial—October 23, 1913.....	71
Minutes of Trial—October 28, 1913.....	74
Minutes of Trial—October 29, 1913.....	81
Minutes of Trial—October 30, 1913.....	85
Minutes of Trial—October 31, 1913.....	89
Minutes of Trial—November 1, 1913.....	92
Minutes of Trial—November 3, 1913.....	94
Minutes of Trial—November 4, 1913.....	96
Minutes of Trial—November 5, 1913.....	100
Minutes of Trial—November 6, 1913.....	102
Minutes of Trial—November 7, 1913.....	106
Minutes of Trial—November 13, 1913.....	109
Minutes of Trial—November 14, 1913.....	114
Minutes of Trial—November 18, 1913.....	119
Minutes of Trial—November 19, 1913.....	123
Minutes of Trial—November 20, 1913.....	126
Minutes of Trial—November 21, 1913.....	129
Minutes of Trial—November 25, 1913.....	133
Minutes of Trial—November 26, 1913.....	138
Minutes of Trial—November 28, 1913.....	141
Minutes of Trial—December 2, 1913.....	144

INDEX.	Page
Minutes of Trial—December 3, 1913.....	146
Minutes of Trial—December 4, 1913.....	149
Minutes of Trial—December 5, 1913.....	153
Minutes of Trial—December 9, 1913.....	157
Minutes of Trial—December 10, 1913.....	159
Minutes of Trial—December 11, 1913.....	163
Motion for New Trial	190
Motion in Arrest of Judgment.....	192
Names and Addresses of Attorneys.....	1
Order Allowing Prosecution of Writ of Error in Forma Pauperis	1324
Order Allowing Writ of Error and Supersedeas.	1306
Order Amending Order Allowing Writ of Error and Supersedeas	1307
Order Approving Bill of Exceptions.....	1071
Order Denying Motion for New Trial, etc.....	193
Order Extending Time to Docket Cause and File Record	1327
Order Extending Time to May 1, 1914, to Docket Cause and File Record.....	1327
Order Extending Time to August 1, 1914, to Docket Cause and File Record.....	1328
Order Extending Time to October 1, 1914, to Docket Cause and File Record.....	1329
Order Extending Time to December 1, 1914, to Docket Cause and File Record.....	1330
Order Extending Time to January 1, 1915, to Docket Cause and File Record.....	1331
Order Extending Time to February 1, 1915, to Docket Cause and File Record.....	1332

INDEX.

Page

Order Extending Time to April 1, 1915, to Docket Cause and File Record.....	1333
Order Extending Time to July 1, 1915, to Docket Cause and File Record.....	1334
Order Extending Time to September 1, 1915, to Docket Cause and File Record.....	1335
Order Extending Time to December 1, 1915, to Docket Cause and File Record.....	1336
Order Extending Time to February 1, 1916, to Docket Cause and File Record.....	1336
Order Extending Time to February 8, 1916, to Docket Cause and File Record.....	1337
Order Overruling Demurrer to Indictment, etc.	48
Order Overruling Demurrer and the Plea of Defendant, Copy	48
Petition for Writ of Error.....	1072
Power of Attorney, July 1, 1911, O'Rourke to de la Guardia.....	660
Recital Re U. S. Exhibit No. 13.....	226
Second Count of Indictment	15
Sixth Count of Indictment.....	37
Stipulation Extending Time to February 8, 1916, to Docket Cause and File Record.....	1338
Stipulation Re Bill of Exceptions.....	1071
Stipulation Re Exceptions to Admission of Evi- dence Adverse to Defendant, etc.....	198
TESTIMONY ON BEHALF OF PLAINTIFF:	
ANDERSON, FREDERICK LAW- RENCE	670
Cross-examination	673

INDEX.		Page
TESTIMONY ON BEHALF OF PLAIN-		
TIFF—Continued:		
ARNERICH, PAUL J.....		851
Cross-examination		852
BARRY, W. H.....		477
Cross-examination		478
Recross-examination		481
BELL, N. R.....		535
Cross-examination		537
BLAKESLY, LOU.....		1031
BRADLEY, J. J.....		473
Cross-examination		475
BROWN, CHARLES MELROSE.....		788
Cross-examination		794
BURNETT, FRANK.....		830
Cross-examination		831
BURNHAM, GEORGE H.....		842
BUSH, B. B.....		540
Cross-examination		552
Redirect Examination.....		553
Recross-examination		553
BYRD, G. M.....		540
CAMPBELL, NATHANIEL.....		583
Cross-examination		589
CLARK, CHARLES K.....		856
Cross-examination.....		857
CLARK, NORA E.....		515
Cross-examination.....		523
Redirect Examination.....		524
Recross-examination.....		526
CLEAVER, ARCHIBALD D.....		771
Cross-examination.....		771

TESTIMONY ON BEHALF OF PLAIN-

TIFF—Continued:

COLON, JOHN MILLER.....	859
Cross-examination.....	863
In Rebuttal.....	1029
COOLEY, H. GEORGE.....	766
Cross-examination.....	768
COOPER, MRS. MINNIE A.....	481
Cross-examination.....	484
De La GUARDIA, HERNAN.....	218
Recalled.....	291
Recalled.....	802
Cross-examination.....	807
Redirect Examination.....	829
Recross-examination.....	829
DETC, MILTON M. (in Rebuttal).....	1017
Cross-examination.....	1017
Redirect Examination... ..	1018
Cross-examination.....	1019
DINGLE, IRVING	868
Cross-examination	869
DISHMAN, EDWARD F.....	1032
Cross-examination	1033
DUNKLEY, LOUIS P.....	690
Cross-examination	691
FITZGERALD, MAURICE JOSEPH....	843
FRENCH, RALPH SPOFFARD.....	590
Cross-examination	613
GRAY, RAYMOND	645
Recalled	718
Recalled	870

	Page
INDEX.	
TESTIMONY ON BEHALF OF PLAIN-	
TIFF—Continued:	
GREEN, F. F.....	304
Cross-examination	305
HAAFF, M. de.....	298
Cross-examination	302
HALDEMAN, P. J.....	526
Cross-examination	528
HARDACRE, R. B.....	453
Cross-examination	454
HAUSER, PAUL A.....	724
HLADISH, STEFAN	758
HUBB, LETA	485
Cross-examination	508
Redirect Examination	513
Recross-examination	514
In Rebuttal	1021
Cross-examination	1026
Redirect Examination	1027
Recross-examination	1027
JAPPE, S. H.....	776
Cross-examination	777
JOHNSON, CLINTON	635
Cross-examination	636
KLANINGER, MRS. J.....	732
Cross-examination	734
LEACH, WALTER A.....	746
Cross-examination	749
LOW, DAVID B.....	737
Cross-examination	741

INDEX.

Page

TESTIMONY ON BEHALF OF PLAIN-

TIFF—Continued:

Redirect Examination	744
Recross-examination	744
LYNN, EARL A. R.....	556
Cross-examination	574
Redirect Examination	581
McCAULY, ANTHONY (in Rebuttal)....	1021
Cross-examination	1021
McCONNVILLE, BERNARD (in Rebut-	
tal)	1050
McDONALD, MRS IDA MARIE.....	865
In Rebuttal	1029
McDONNELL, EDWARD G.....	844
Cross-examination	845
McKEAG, W. H.....	457
McKEE, H. C.	454
Cross-examination	456
MADEIRA, W. I.	286
Cross-examination	287
Recalled	832
Cross-examination	838
MAYNARD, G. L.	582
MITCHELL, JOHN EDWARD	773
Cross-examination	774
MOORE, M. J. (in Rebuttal)	1028
Cross-examination	1028
MORLEY, JOSEPH F.	852
Cross-examination	853
MORRISON, F. T.	533
Cross-examination	534

	Page
INDEX.	
TESTIMONY ON BEHALF OF PLAIN-	
TIFF—Continued:	
MORSE, ROBERT H.	839
Cross-examination ..	841
MURRAY, ALEXANDER G.	645
Cross-examination ..	650
NELSON, ROBERT J.	688
O'ROURKE, THOMAS	650
Cross-examination ..	664
Redirect Examination ..	666
PALMER, FRED IRWIN	643
PARSONS, LEWIS F.	450
Cross-examination ..	452
PENTLAND, R. C.	305
Cross-examination ..	307
Redirect Examination ..	310
Recross-examination ..	310
REACH, HOWARD E.	692
Cross-examination ..	693
Redirect Examination ..	698
REDPATH, JOHN	202
Cross-examination ..	210
Recalled	346
Cross-examination ...	433
Redirect Examination ..	449
Recross-examination ..	449
RILEY, CLARENCE E.	303
Cross-examination ..	304
RYAN, EUGENE DUKE..	1034
Cross-examination	1035
Redirect Examination	1041

INDEX.

Page

TESTIMONY ON BEHALF OF PLAIN-

TIFF—Continued:

SEEPLE, JOSEPH O.	689
SILSBY, THOMAS H.	778
Cross-examination	782
SMITH, T. P.	311
Cross-examination	345
SPRAGUE, CHARLES S. (in Rebuttal)..	1016
Cross-examination	1016
STEELE, Mrs. J. F.	737
STODDARD, CELORA MARTIN.	197
Recalled.	217
Cross-examination	217
Recalled.	462
THONNET, LOUIS B.	846
Cross-examination	850
TUTTLE, HAROLD W.	688
Cross-examination	689
Redirect Examination	689
VAN BUREN, JOHN U.	718
Cross-examination	723
VANDEGRIFT, JACOB.	538
Cross-examination	540
WAGNER, J. E.	638
Cross-examination	642
Redirect Examination	643
WATSON, R. W.	457
Cross-examination	459
WEBSTER, C. E.	800
Recalled.	854
Cross-examination	855

Index.	Page
TESTIMONY ON BEHALF OF PLAINTIFF—Continued:	
WERNER, MICHAEL.....	676
Cross-examination....	686
WHEELER, WELLINGTON B.....	752
Cross-examination....	754
Redirect Examination....	757
WILLITS, D. N.....	730
Cross-examination....	731
Redirect Examination....	732
Recross-examination....	732
TESTIMONY ON BEHALF OF DEFENDANT:	
EDMUNDS, EDWARD G.....	1041
Cross-examination....	1041
JORDAN, FREDERICK CHARLES (in	
Rebuttal).....	1042
LYMAN, JOHN GRANT.....	871
Cross-examination....	996
Redirect Examination....	1014
In Rebuttal.....	1043
Third Count of Indictment.....	24
Verdict	189
Writ of Error	1

Names and Addresses of Attorneys.

For Plaintiff in Error:

PAUL SCHENCK, Esq., and JOSEPH CITRON, Esq., Homer Laughlin Building,
Los Angeles, California.

For Defendant in Error:

ALBERT SCHOONOVER, Esq., United States
Attorney, Federal Building, Los Angeles,
California. [6*]

*In the District Court of the United States, in and for
the Southern District of California, Southern
Division.*

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant.

Writ of Error.

United States of America,—ss.

The President of the United States of America
to the Honorable the Judge of the District Court
of the United States for the Southern District
of California, Southern Division, Greeting:

Because in the record and proceedings, as also in
the rendition of the judgment of a plea which is in
the said District Court before you, between John
Grant Lyman, plaintiff in error, and the United
States of America, defendant in error, a manifest
error hath happened to the great damage of said

*Page-number appearing at foot of page of original certified Record.

John Grant Lyman, plaintiff in error, as by his complaint appears:

We being willing that error, if any hath happened, should be duly corrected, and full and speedy justice done to the parties aforesaid, in this behalf, do command you, if judgment be therein given, that then, under your seal, distinctly and openly, you send the record and proceedings aforesaid with all things concerning the same to the United States Circuit Court of Appeals for the Ninth Circuit, together with this Writ, so that you have the same at the city of San Francisco, in the State of California, within thirty days from the date hereof, in the said Circuit Court of Appeals to be then and there held, that the record and proceedings aforesaid, being inspected, the said Circuit Court of Appeals may cause further to be done therein to correct that error [7] what of right and according to the laws and customs of the United States should be done.

WITNESS the Honorable EDWARD D. WHITE, Chief Justice of the United States, this 6th day of February, in the year of our Lord, One Thousand Nine Hundred and Fourteen, and the year of our Independence the one hundred and thirty-eighth.

[Seal] WILLIAM M. VAN DYKE,
Clerk of the District Court of the United States for
the Southern District of California.

By Chas. N. Williams,
Deputy Clerk.

The above Writ of Error is hereby allowed.

OLIN WELLBORN,
District Judge.

I hereby certify that a copy of the within writ of error was on the 6th day of February, 1914, lodged in the clerk's office of the said United States District Court, for the Southern District of California, Southern Division, for said defendant in error.

WILLIAM M. VAN DYKE,
Clerk of the District Court of the United States for
the Southern District of California.

By Chas. N. Williams,
Deputy Clerk. [8]

[Endorsed]: No. 672—Crim. In the United States District Court, for the Southern District of California, Southern Division. United States of America, Plaintiff, vs. John Grant Lyman, Defendant. Writ of Error. Filed February 6, 1914. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.
[9]

Citation on Writ of Error.

United States of America,
Southern District of California,
Southern Division,—ss.

To the United States of America, Greeting:

You are hereby cited and admonished to be and appear at a United States Circuit Court of Appeals, for the Ninth Circuit, to be held at the city of San Francisco, in the State of California, within thirty days from date hereof, pursuant to a writ of error on file in the clerk's office of the District Court of the United States, for the Southern District of California, Southern Division, in that certain cause num-

bered 672—Crim. in said District Court, wherein John Grant Lyman is plaintiff in error, and you are defendant in error, to show cause, if any there be, why the judgment given, made and entered against the said John Grant Lyman, plaintiff in error, in the said writ of error mentioned, should not be corrected and speedy justice should not be done to the parties in that behalf.

WITNESS, the Honorable OLIN WELLBORN, United States District Judge for the Southern District of California, this 6th day of February, in the year of our Lord, one thousand nine hundred and fourteen, and of the Independence of the United States the one hundred and thirty-eighth.

OLIN WELLBORN,

U. S. District Judge for the Southern District of California. [10]

[Endorsed]: No. 672—Crim. In the United States District Court, for the Southern District of California, Southern Division. United States of America, Plaintiff, vs. John Grant Lyman, Defendant. Citation. Received copy of the within Citation this 6 day of Feb., 1914. Edward A. Regan, Attorney for Plaintiff. Filed Feb. 6, 1914. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [11]

*In the District Court of the United States, in and for
the Southern District of California, Southern
Division.*

No. 672—CRIM.

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant. [12]

Indictment.

*In the District Court of the United States in and for
the Southern District of California, Southern
Division.*

At a stated term of said Court, begun and holden at the city of Los Angeles, county of Los Angeles, within and for the Southern Division of the Southern District of California, on the second Monday of July, in the year of our Lord one thousand nine hundred and thirteen,

The Grand Jurors of the United States of America, chosen, selected and sworn, within and for the Division and District aforesaid, on their oath present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company, (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control,

charge and management of John Grant Lyman *alias* John G. Lyman (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their money and property, in and by inducing, by false and fraudulent representations, said [13] persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Panamanian Government), in the purchase of lands belonging to said Panamanian Government (said lands being hereinafter referred to as said Government lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the

sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said money and said property so intended to be secured and converted to the use of said defenant, being to the Grand Jurors unknown.

That said scheme and artifice to defraud so devised and intended to be devised by said defendant as aforesaid, [14] was substantially as follows:

That he, the said defendant, intended to and would organize and incorporate, and cause to be organized and incorporated, said Panama Development Company, and intended to and would, represent, announce, publish and advertise, and cause to be represented, announced, published and advertised, to each and all of said persons so intended to be defrauded as aforesaid, under and in the name of said corporation, that said corporation had a paid-up capital of Fifty Thousand Dollars (\$50,000); that some of the officers and directors of said corporation were men of prominence in, connected with and employed by said Panamanian Government, and that the other officers and directors of said corporation were men of prominence elsewhere; that said corporation was the agent of said Panamanian Government for the sale of said Government land; that said Panamanian Government offered for sale, through the said corporation as said agent, said Government

lands, consisting of agricultural, timber and mineral lands, situated in the District of Cocle, Veragua and Chiriqui, in said Republic of Panama, to persons desiring to purchase said Government lands, by such persons making application for such purchase through said corporation as agent aforesaid, at a price varying from three to five dollars per acre, payable one-half down to said corporation as agent aforesaid, at the time said application was made for the purchase of said Government lands, and the balance of said purchase price to be paid to said corporation within four years; that upon [15] said corporation receiving from the said persons so intended to be defrauded, said application for the purchase of said Government lands through said corporation as agent aforesaid, and the receipt of one-half the purchase price of said lands as aforesaid, the said corporation would immediately file said application with said Panamanian Government through the representative of said corporation in said Republic of Panama, and thereupon said Panamanian Government would immediately make the allotment of said Government land as designated in said application, to the said applicant thereof, in the order said applications were received by said corporation as aforesaid; and thereupon said Panamanian Government would immediately issue a provisional title to said Government lands referred to in said application, direct to the said applicant, and would thereafter issue a complete and full title to said applicant for said Government lands mentioned in said application upon the payment by said applicant of the re-

mainder of the said purchase price to the said corporation, and upon the cultivation of four-fifths of said Government agricultural land; that said corporation had experts in said Republic of Panama who were familiar with the location and character of said Government lands, and who, therefore, could and would select the best of said Government lands for the persons making said application to purchase the same through said corporation as aforesaid; that by reason of said experts said corporation could select better lands for said applicants than if said applicants were personally [16] in said Republic of Panama; that said corporation could and would furnish maps showing the location of said Government land offered for sale by said corporation, agent as aforesaid, and could and would designate on such maps the location of the lands so offered for sale; that said corporation had sold to an American Colony ten thousand (10,000) acres of said Government land situated in the District of Agua Dulce in the said Province of Coele, Republic of Panama; that said corporation as agent aforesaid, offered for sale and would sell said Government lands situated in said District of Agua Dulce upon applications being made as aforesaid and on the aforesaid terms and conditions; that a railroad was being constructed from said city of Panama to the said city of David in said Republic of Panama; that said corporation was clearing and cultivating some of said Government land which had theretofore been sold through said corporation as agent as aforesaid, and that said corporation would clear and cultivate said Government land

purchased as aforesaid; that said corporation had and offered for sale sixteen thousand (16,000) acres of said Government timber land situated in the said Province of Veragua, Republic of Panama; that on August 1, 1911, the price of said Government agricultural lands offered for sale as aforesaid, would be increased by said Panamanian Government to Six Dollars (\$6.00) per acre; that if at any time within two years after making said application for purchase of said Government land as [17] aforesaid, said applicant was dissatisfied with said purchase, any and all money and property so paid and transferred by said applicant for the purchase of said Government lands as aforesaid, would be returned to said applicant by said corporation on demand of said applicant made upon said corporation.

That each of the aforesaid representations, announcements, publications and advertisements so made and so intended to be made by the said defendant as a part of said scheme and artifice to defraud, were intended to be and were false and fraudulent as he, the said defendant, at the time of making and intending to make the aforesaid representations and statements, and at all times in this indictment mentioned, well knew and intended, and the said defendant at all times in this indictment mentioned intended thereby to deceive and defraud said person so intended to be defrauded, by inducing said persons to part with their said money and property as aforesaid.

That in truth and in fact, as he, the said defendant, at the time of so devising and intending to devise

said scheme and artifice to defraud, and at the time of making and intending to make the aforesaid false and fraudulent representations and statements, and at all times in this indictment mentioned, well knew and believed, said corporation did not and would not, at any time or at all, have a paid-up capital of Fifty Thousand Dollars (\$50,000), and did not and would not have paid-up capital in any amount; that the officers and directors of said corporation were not men of prominence [18] in, and were not connected with, and were not employed by said Panamanian Government, and were not men of prominence elsewhere, but the names of said directors and officers of said corporation were selected and designated and named solely by said defendant, and all the acts and representations made by said corporation and said officers and directors thereof, were made by and under the direction and control of said defendant; that said Panamanian Government did not and would not offer for sale through said corporation as said agent aforesaid, the Government lands hereinbefore described, on the terms hereinbefore set forth, nor at all; that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, nor for the sale of any lands; that said corporation did not have its principal office nor any office, in said city of Panama, and did not have a branch office nor any office, in said city of David, but in truth and fact, the principal office and the only office of said corporation was in the said city of Los Angeles; that said corporation would not immediately, nor at all, file

nor cause to be filed, said applications for purchase of said Government lands, with said Panamanian Government, and said applicant would not receive from said Panamanian Government, a provisional title nor any title, to the Government lands referred to in said application, and would not, after the payment of the balance of said purchase price to said corporation on the terms and conditions aforesaid, nor at all, receive a full and complete title, nor any title, [19] to said Government lands, from said Panamanian Government as aforesaid; that said corporation did not have experts in the Republic of Panama who were familiar with the location and character of said Government land, and who could make the best selection thereof for said applicants, nor any experts in said Republic of Panama at all; that said corporation could not and would not furnish maps showing the location of said Government lands offered for sale as aforesaid, and could not and would not designate on such maps the location of said Government lands, but in truth and fact said corporation would furnish and issue maps prepared under the direction of said defendant purporting to show the location of said Government lands, which in truth were not Government lands offered for sale by said Panamanian Government through said corporation as said agent, but were maps of land shown to said persons so intended to be defrauded, for the purpose and with the intent of deceiving and defrauding them as to the location of said Government lands offered for sale as aforesaid; that said corporation never at any time in this indictment men-

tioned, had sold ten thousand (10,000) acres of said Government land located in said District of Agua Dulce, nor any other District in said Republic of Panama, to an American Colony, nor to any colony; that said corporation did not and would not have for sale any of said Government lands in said District of Agua Dulce as aforesaid; that a railroad was not being [20] constructed from said city of Panama to said city of David; that said corporation was not clearing nor cultivating any of said Government lands, and would not clear nor cultivate any of said Government lands, as aforesaid; that said corporation did not have and could not offer for sale, sixteen thousand (16,000) nor any number of acres of said Government timber lands in said Province of Veragua; that said Panamanian Government would not, on August 1, 1911, increase the price of said Government lands to Six Dollars (\$6.00) per acre, but said corporation, under the direction and control of said defendant, intended to and would arbitrarily raise said price to Six Dollars (\$6.00) per acre; that said corporation would not and did not intend to pay and return to persons paying their money and property to said corporation as agent aforesaid, for the purchase of said Government lands, such money and property upon demand within two years, but said defendant intended to and would convert to the use and benefit of himself and to the use and benefit of said corporation, such money and property. [21]

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as

aforesaid, did, on the 28th day of August, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully and wilfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, within the Southern District of California, a certain sealed envelope to be sent and delivered by said postoffice establishment of the United States, addressed to Mr. Frederick L. Anderson, Soldiers Home, Cal., Ward 9, which said envelope then and there contained a certain letter in substance as follows:

“Principal Office:

City of Panama, Isthmus of Panama

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY.

216 Mercantile Place.

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050

Home A 3425

Los Angeles, Aug. 28, '11.

Mr. F. L. Anderson,

Dear Sir, [22]

Yours of the 27th inst. received and contents

noted. I can do as you requested for Mr. Friman. I will reserve 20 acres for him in Block 29—right next to his other land—on the same terms as he bought the other.

Thanking you & Mr. Friman,

Yours very Truly,

PANAMA DEVELOPMENT COMPANY.

By E. A. LYNN."

Contrary to the form of the Statutes of the United States in such case made and provided, and against the peace and dignity of the said United States.
[23]

Second Count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control, charge and management of John Grant Lyman *alias* John G. Lyman, (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their

money and property, in and by inducing, by false and fraudulent representations, said persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Panamanian Government), in the purchase of lands belonging [24] to said Panamanian Government (said lands being hereinafter referred to as said Government lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant, at the time of devising and intending to devise said scheme and artifice to defraud, and at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said

money and said property so intended to be secured and converted to the use of said defendant, being to the Grand Jurors unknown.

That said scheme and artifice to defraud so devised and intended to be devised by said defendant, is fully set forth and described and explained in the first count of this indictment, and said first count is hereby referred to for a full and particular description, statement and explanation of said scheme and artifice to defraud, and the same is hereby made a part [25] hereof.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as aforesaid, did, on the 22d day of August, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully and wilfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, within the Southern District of California, a certain sealed envelope to be sent and delivered by the post-office establishment of the United States, addressed to Mr. D. Willits, Tucson, Ariz., Gen. Del., said envelope containing then and there, a certain letter and a certain map, which said map consisted of a

large piece of paper bearing on one side a plat marked "Agua Dulce Colony Province of Cocle, Panama," and on the other side thereof, a map bearing the inscription "Map of the Republic of Panama," and which said letter then and there contained in said envelope, was in substance as follows:
[26]

"Principal Office:

City of Panama, Isthmus of Panama.

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050

Home A 3425

Los Angeles, Aug. 22, 1911.

Re GOVERNMENT LANDS IN PANAMA.

Mr. D. Willits,

General Delivery,

Tucson, Arizona.

Dear Sir:—

Your attention is invited to Panama Government lands, which can now be obtained under such conditions as make them virtually a gift, the price being \$5.00 an acre; terms, \$2.50 upon application, and \$2.50 in four years, with no taxes to pay until one year after final payment is made.

The opening of the Panama Canal will undoubt-

edly work wonders in Panama, as it will mean the development of its Western Coast, which has a delightful climate and a soil of great fertility.

It is not generally known that the death rate of this section of Panama is only about one-half of the average City in the United States, and it is in this particular region that the United States Government is building its Sanitarium for the Canal employees.

The lands in this section are extraordinarily fertile, and that they have not been developed heretofore has been due chiefly to two reasons: First, a lack of stable Government; second, a total lack of transportation facilities. Since the United States has guaranteed the integrity of Panama, revolutions, which were formerly a yearly occurrence, have ceased, and now life and property there are as safe as in any State in the Union. [27]

The Panamanian Government is naturally anxious to have its country developed, and every reasonable effort to that end is being made. In order to derive, too, the fullest advantage from the opening of the Canal, the Government is now constructing a railroad from Panama to David, which will give easy access to this wonderfully fertile region, and open it to the markets of the world.

While at the present time Panama may seem remote, it will soon be a stopping place for the ships from all parts of the Globe, and no signal port will enjoy such service, or have so many markets to choose from.

Until recently it has not been possible for other

than a Panamanian to acquire Government lands, but since the United States came in, they have been thrown open to all Nationalities on equal terms, and considering their great desirability, the terms of payment cannot be considered onerous.

Arrangements have been made, too, whereby these lands may be cultivated on shares, so that all a prospective Colonist or investor in Panama lands need do is to purchase the raw land from the Government and the developing work can be paid from the crop itself.

In this development we are acting as Government Agents, and applications placed with us will have the same force and effect as though lodged directly with the Government in Panama, and obviates the necessity of your making a personal application there.

The sugar industry, particularly, promises to prove a very profitable one, as in this rich, virgin soil, resulting from the decomposition of vegetable and animal matter for Centuries, cane yields twice as much saccharine matter per acre as Cuban lands, which are considered remarkably rich, and four times as much as Louisiana lands, which are the best in the United States. Furthermore, when the cane is once planted, it reproduces itself from 12 to 25 years without replanting, which speaks for itself as to the fertility of the soil.

While all Government lands are the same price, those in districts which will have good transit facilities, and where foreign Colonists are established, will more rapidly enhance in value than lands in the back

country. At the present time we are strongly advising the purchase of lands at Agua Dulce, Province of Cocle, one of the best sugar districts in Panama, where we recently arranged for the sale of 10,000 acres to an American Colony. A large sugar mill is now under construction in this town which is directly on the line of the new railroad, has a fine harbor, and is only about [28] 100 miles from the Western entrance of the Canal.

Enclosed herewith is a map of Panama, together with a special map of the district of Agua Dulce, showing the lands sold in that district and what is still open, and with prompt action on your part we can locate you at this point. There is not an acre here that will not be worth ten times its cost by the time the Canal is opened, and much of it is likely to be worth from \$500 to \$1,000 an acre.

Within the area as marked on the map, we will reserve 100 acres for you at \$5 per acre, payable \$2.50 per acre down, and \$2.50 per acre in four years, with no taxes to pay until one year after final payment is made.

The title to this land is perfect, being Government title, and will come direct from the Government to the purchaser.

There can be no question regarding the value of the land, or the advantages that will result from the opening of the Canal, and we trust you will not regard this as an ordinary Colonization project, but rather one where every safeguard is being offered by the Panamanian Government to Colonists and investors who may become interested in Panama lands,

which are destined to prove very profitable to those acquiring same.

As earlier stated, we will, if desired, undertake cultivation of same on shares, according to the terms of contract, form of which is enclosed herewith, which you will see is fair to both parties.

We regard the growing of sugar cane as one of the most desirable forms of cultivation that can be taken up, as there is practically no hazard attached to it, and the returns cannot fail to be considered other than satisfactory, as after the first year there will be a net return of from \$50 to \$75 per acre, and an income of \$5,000 per annum may be expected after the first year, of which one-half would go to the owner of the lands, should the work be done on shares. (The United Fruit Company reported a profit last year of One Million, One Hundred Thousand Dollars (\$1,100,000) from the cultivation of 24,000 acres. They are the largest cultivators of Panama Government lands, and this year will have over 30,000 acres under cultivation.)

It may be, now that your interest in Panama is aroused, you may wish to investigate personally as to our statements. There is nothing that would be more welcome to us. Our position of co-operation with the Government is such that we will place you in communication with Governmental authorities, who will be only too [29] glad to answer any communications addressed to them.

The Governing Board of this Company comprises some of the best known men in Panama. The President, HERNAN DE LA GUARDIA, is the best

known scientific tropical agriculturist in Panama.

Another member of the Board, SR. C. QUEL-QUEJEU, is head of the firm of C. Quelquejeu & Company, the most widely known Merchants in the Republic.

SR. SANTIAGO DE LA GUARDIA, a third member, is the ATTORNEY GENERAL of Panama, and was formerly Secretary of State of that country.

JOHN REDPATH, the Vice-president, was formerly connected with the British Bank of North America, and all the Directors are well known men.

In the interval may we suggest that you make your reservation with such remittance as will indicate your good faith, and any request upon your part to return same, should your own personal investigation not bear out our statements, will find us only too willing to comply.

Regarding the amount of land that can be acquired, we can secure for you any part of 500 acres in the tract we have marked, or you may have any smaller proportion, the minimum being 10 acres, on the same terms and conditions, both as to cost of land, and, if desired, cultivation of same.

Awaiting the courtesy of an early reply, we are,

Very truly yours,

PANAMA DEVELOPMENT COMPANY.

Address all mail to

E. A. LYNN.

Miss E. Andreen requested us to write you.

E. LYNN."

Contrary to the form of the Statutes of the United States in such case made and provided, and against

the peace and dignity of the said United States.
[30]

Third Count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control, charge and management of John Grant Lyman, *alias* John G. Lyman (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their money and property, in and by inducing, by false and fraudulent representations, said persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Panamanian Government), in the purchase of lands be-

longing [31] to said Panamanian Government (said lands being hereinafter referred to as said Government lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant, at the time of devising and intending to devise said scheme and artifice to defraud, and at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said money and said property so intended to be secured and converted to the use of said defendant, being to the Grand Jurors unknown.

That said scheme and artifice to defraud so devised and intended to be devised by said defendant as aforesaid, is fully set forth and described and explained in the first count of this indictment, commencing [32] on page three (3) thereof, with the words "that he, the said defendant, intended to and would," and continuing through pages three

(3), four (4), five (5), six (6), seven (7), eight (9) and nine (9) of this indictment, and ending on page nine (9) of this indictment with the words "would convert to the use and benefit of himself and to the use and benefit of said corporation, such money and property," and the said first count and the said part described, is hereby referred to for a full and complete description, statement and explanation of said scheme and artifice to defraud, and the same is made a part of this count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as aforesaid, did, on the 24th day of July, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully and willfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, [33] within the Southern District of California, a certain letter to be sent and delivered by said postoffice establishment of the United States, which said letter is in substance as follows:

“Principal Office,
City of Panama, Isthmus of Panama.

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050.

Home A 3425.

Los Angeles, July 24, 1911.

Mr. Thomas O'Rourke,
Box 51, R. F. D.,
San Fernando, Calif.

Dear Sir:—

We are in receipt of your favor of the 21st instant containing remittance of \$15. Will forward contract as soon as made out. We thank you very much for this remittance, and assure you that we will make a good selection for you.

We are also in receipt of your favor of the 23d instant, containing the signed contract. We regret same was not filled in before it was sent you, but will fill it in here.

The name and address of the physician you spoke of, is Dr. John G. Lyman, 2068 Hobart Boulevard, Los Angeles. [34]

Again thanking you for the remittance, we beg to be

Yours very truly,

PANAMA DEVELOPMENT COMPANY.

S/C

By L. R. SMITH."

Contrary to the form of the Statutes of the United States in such case made and provided, and against the peace and dignity of the said United States.

[35]

Fourth Count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control, charge and management of John Grant Lyman *alias* John G. Lyman (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their money and property, in and by inducing, by false and fraudulent representations, said persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by

reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Panamanian Government), in the purchase of lands belonging to said Panamanian Government (said lands being [36] hereinafter referred to as said Government lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant, at the time of devising and intending to devise said scheme and artifice to defraud, and at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said money and said property so intended to be secured and converted to the use of said defendant, being to the Grand Jurors unknown.

That said scheme and artifice to defraud so devised and intended to be devised by said defendant, is fully

set forth and described and explained in the first count of this indictment, and said first count is hereby referred to for a full and particular description, statement and explanation of said scheme [37] and artifice to defraud, and the same is hereby made a part hereof.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as aforesaid, did, on the 6th day of June, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully and willfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, within the Southern District of California, a certain sealed envelope to be sent and delivered by the postoffice establishment of the United States, addressed to Mr. Paul A. Hauser, 1228 Lime Ave., Long Beach, Calif., said envelope containing then and there, a certain letter in substance as follows: [38]

“Principal Office:

City of Panama, Isthmus of Panama.

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050.

Home A 3425.

Los Angeles, June 6, 1911.

Dear Sir:

In reference to your inquiry of recent date relative to the purchase of Panama Government lands; the only possible question, we take it, that can arise in your mind as to the desirability of same, is as to whether or not, you would get good lands if the selection be left to us.

Now you can contract (through us, if desired) to have these lands cleared, planted, and all work paid for from the crop itself, it naturally follows the land must be productive, for no one would care to do this work without a return for their labor and as it is a case of “no crop no pay,” it naturally follows the land must be good land.

Does this not appear to your good sense?

Second, and *mark* this :

The Government when issuing definite title to the land certifies as to the cultivation of same. Thus, you see, there can be no question about their value,

or that the work will be carried out other than as contracted for, the Government itself certifying as to the work done.

We believe you will make a very serious mistake if you delay purchasing as much land as you possibly can. Cultivation can be delayed as long as you like, [39] as you have four years to decide as to that, but the amount of available land is limited, and when once gone, cannot be replaced.

If you leave the selection of this land to us, and are dissatisfied with your purchase, we will return the full amount paid at any time within two years on assignment to us of the provisional title.

No amount of vain regrets on your part can ever bring back a lost opportunity, and our advice is to act this very day, filing your application with us, and from the moment in our hands, will establish your ownership against all others.

If convenient to make the initial payment of \$2.50 per acre, we will do all we can to aid you in deferring payment, but act to-day. This is likely to prove the most important event in your life, and one which will mean more to your future than any single act you can name.

Yours very truly,

PANAMA DEVELOPMENT COMPANY,

By L. R. SMITH.

LRS/CS."

Contrary to the form of the Statutes of the United States in such case made and provided, and against the peace and dignity of the said United States.

[40]

FIFTH COUNT.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control, charge and management of John Grant Lyman *alias* John G. Lyman (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their money and property, in and by inducing, by false and fraudulent representations, said persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring [41] such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Panamanian Government), in the purchase of lands belonging to said Panamanian Government (said lands being hereinafter referred to as said Government

lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant, at the time of devising and intending to devise said scheme and artifice to defraud, and at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said money and said property so intended to be secured and converted to the use of said defendant, being to the Grand Jurors unknown. [42]

That the said scheme and artifice to defraud so devised and intended to be devised by said defendant as aforesaid, is duly set forth and described and explained in the first count of this indictment, commencing on page three (3) thereof with the words "that he, the said defendant, intended to and would," and continuing through pages three (3), four (4), five (5), six (6), seven (7), eight (8) and nine (9), of this indictment, and ending on page nine (9) of this indictment with the words "would con-

vert to the use and benefit of himself and to the use and benefit of said corporation, such money and property," and the said first count and the said part described, is hereby referred to for a full and complete description, statement and explanation of said scheme and artifice to defraud, and the same is made a part of this count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as aforesaid, did, on the 11th day of July, in the year of our Lord one thousand nine hundred and eleven, at the [43] city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully, and wilfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, within the Southern District of California, a certain letter to be sent and delivered by said postoffice establishment of the United States, which said letter is in substance as follows:

“Principal Office:

City of Panama, Isthmus of Panama.

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050

Home A 3435

Los Angeles, July 11, 1911.

Mr. Michael Werner,

1208 C Street,

San Diego, California.

Dear Sir: [44]

Replying to your letter of the 10th instant, we beg to state that your application for Panama Government lands has been duly forwarded to Panama, and as the Provisional Title will be registered in your name, it will be necessary for you to receive same and endorse over to the purchaser before we can do anything with it.

As soon as it is received, we will take the matter up for you.

Yours very truly,

PANAMA DEVELOPMENT COMPANY.

By L. R. SMITH.

McD.”

Contrary to the form of the Statutes of the United

States in such case made and provided, and against the peace and dignity of the said United States. [45]

Sixth Count.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That on the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, and at all times in this indictment hereinafter mentioned, the Panama Development Company (hereinafter referred to as said corporation), was a corporation organized under the laws of Arizona, and was at all the said times under the full and complete control, charge and management of John Grant Lyman *alias* John G. Lyman (hereinafter referred to as said defendant).

That on or about the 1st day of May, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern District of California, said defendant had devised and intended to devise, a scheme and artifice to defraud divers persons whose names are unknown to said Grand Jurors, out of their money and property in and by inducing, by false and fraudulent representations, said persons so intended to be defrauded, to pay and transfer to the said corporation such money and property, in the belief, by reason of said false representations, that they, the said persons so intended to be defrauded, were paying and transferring [46] such money and property to the said corporation as agent for the Republic of Panama (hereinafter referred to as the Pana-

manian Government), in the purchase of lands belonging to said Panamanian Government, (said lands being hereinafter referred to as said Government lands, and being hereinafter more fully described), through said corporation as said agent for said Panamanian Government for the sale of said Government lands, the said defendant, at the time of devising and intending to devise, and at all times in this indictment mentioned, well knowing and intending that said persons so intended to be defrauded as aforesaid, were not purchasing and would not purchase said Government lands through said corporation as agent aforesaid, and that said corporation was not and would not be the agent of said Panamanian Government for the sale of said Government lands, and said defendant at all times in this indictment mentioned, intending to secure and convert to the use of said corporation and to the use of said defendant, a large part of said money and property, the exact amount of said money and property so intended to be secured and converted to the use of said corporation, and the exact amount of said money and said property so intended to be secured and converted to the use of said defendant, being to the Grand Jurors unknown. [47]

That said scheme and artifice to defraud so devised and intended to be devised by said defendant, is fully set forth and described and explained in the first count of this indictment, and said first count is hereby referred to for a full and particular description, statement and explanation of said scheme and

artifice to defraud, and the same is hereby made a part hereof.

And the Grand Jurors aforesaid, on their oath aforesaid, do further present:

That he, the said defendant, John Grant Lyman *alias* John G. Lyman, having devised and intending to devise said scheme and artifice to defraud as aforesaid, did, on the 25th day of August, in the year of our Lord one thousand nine hundred and eleven, at the city of Los Angeles, county of Los Angeles, within the Southern Division of the Southern District of California, and within the jurisdiction of this Honorable Court, for the purpose of executing said scheme and artifice to defraud, and attempting so to do, knowingly, unlawfully and wilfully place and cause to be placed in the postoffice of the United States in the said city of Los Angeles, within the Southern District of California, a certain letter to be sent and delivered by said postoffice establishment of the United States, which said letter is in [48] substance as follows:

“Principal Office:

City of Panama, Isthmus of Panama.

Surcusal:

City of David, Province of Chiriqui.

President:

Sr. Hernan de la Guardia.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets.

Telephones:

Broadway 1050.

Home A 3425.

Los Angeles, August 25, 1911.

Mr. Thomas O'Rourke,

Box 51, R. F. D.,

San Fernando, Calif.

Dear Sir:—

Replying to your favor of the 23d instant, will say that we will endeavor to accommodate you, and if you will bring in your shares of Los Angeles Investment Company's Stock, together with the Deed to your lot, we will take the matter up with you at once on the lines suggested by you, so that you may take care of your payments, and get the clothes as desired, and believe that your Panama Lands are going to prove very, very profitable.

You will be interested to learn that Mr. Smith has gone to Panama, and you will likely hear from him in about four weeks time.

Please let us know what time next Saturday will be convenient for you to call at this office. [49]

Very truly yours,

PANAMA DEVELOPMENT COMPANY.

By GEO. M. BYRD."

L/C.

Contrary to the form of the Statutes of the United States in such case made and provided, and against the peace and dignity of the said United States.

ALBERT SCHOONOVER,

United States Attorney.

EDWARD A. REGAN,

Assistant United States Attorney.

[Endorsed]: No. 672-Crim. United States District Court, Southern District of California, South-

ern Division. The United States of America vs. John Grant Lyman *alias* John G. Lyman. Indictment for Viol. sec. 215, Penal Code of 1910. Using mails in execution of a scheme to defraud. A True Bill. F. M. Coulter, Foreman. Presented and filed in open court, this 27th day of September, A. D. 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. Albert Schoonover, United States Attorney.
[50]

*In the District Court of the United States, in and for
the Southern District of California, Southern
Division.*

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant.

Demurrer to Indictment.

Comes now the defendant, John Grant Lyman, by his attorney, Paul W. Schenck, and having heard the indictment, says that said indictment and the matters therein contained in the manner and form as the same are therein stated and set forth, are not sufficient in law, and that he, the John Grant Lyman, is not bound by law of the land to answer the same, and this he is ready to verify, and he especially demurs and objects to the said indictment and the matters therein contained on the following grounds:

I.

That the said indictment does not state facts suffi-

cient to constitute a public offense.

II.

That the first count of the said indictment does not state facts sufficient to constitute a public offense.

III.

That the second count of the said indictment does not state facts sufficient to constitute a public offense.

IV.

That the third count of the said indictment does not state facts sufficient to constitute a public offense.

V.

That the fourth count of the said indictment does not [51] state facts sufficient to constitute a public offense.

VI.

That the 5th count of the said indictment does not state facts sufficient to constitute a public offense.

VII.

That the sixth count of the said indictment does not state facts sufficient to constitute a public offense.

VIII.

That the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

IX.

That the first count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

X.

That the second count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

XI.

That the third count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

XII.

That the fourth count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever. [52]

XIII.

That the fifth count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

XIV.

That the sixth count of the said indictment does not set forth facts sufficient to charge this defendant with the commission of any offense against the laws of the United States, or against any law or laws whatsoever.

XV.

That the first count of the said indictment charges

or attempts to charge more than one offense, to wit: It charges or attempts to charge the offense of devising and intending to devise an artifice and scheme to defraud, and it charges or attempts to charge the offense of devising and intending to devise an artifice and scheme to obtain money and property by false and fraudulent representations and pretenses.

XVI.

That the second count of the said indictment charges or attempts to charge more than one offense, in the same particulars as above set forth as to the first count thereof.

XVII.

That the third count of the said indictment charges or attempts to charge more than one offense, in the same particulars as above set forth as to the first count thereof.

XVIII.

That the fourth count of the said indictment charges or attempts to charge more than one offense, in the same particulars as above set forth as to the first count thereof.

XIX.

That the fifth count of the said indictment charges or [53] attempts to charge more than one offense, in the same particulars as above set forth as to the first count thereof.

XX.

That the sixth count of the said indictment charges or attempts to charge more than one offense, in the same particulars as above set forth as to the first count thereof.

XXI.

That the said indictment is not direct or certain as to the offense charged.

XXII.

That the said indictment does not, nor does any count thereof, contain a statement of the acts constituting the offense in ordinary and concise language, or in such a manner as to enable a person of common understanding to know what is intended.

XXIII.

And the defendant specially demurs and objects to Count Number 1 of said indictment on the following grounds, to wit: That the said indictment is uncertain in that it cannot be ascertained from said count or from said indictment as a whole,

A. Whether it is sought to charge that the defendant devised or only intended to devise the artifice and scheme sought to be alleged.

B. Whether it is intended to charge that the defendant devised and intended to devise an artifice and scheme to defraud, or, an artifice and scheme to obtain money and property by false and fraudulent representations, pretenses and promises.

C. Whether it is intended to charge that the defendant did actually make the alleged false and fraudulent representations and pretenses, or only intended to make the same, and if actually made, when, how and to whom.

D. How or in what manner the alleged letter set forth in said count could or might be in execution of any such alleged [54] artifice or scheme as set forth in said count.

E. Who the persons were the defendant, as it is alleged, intended to defraud, or specifically, of what money or property it was intended to defraud them.

F. What part of the allegations therein contained are intended to set forth an alleged artifice or scheme to defraud or obtain money or property under false and fraudulent representations and pretenses, and what part of the allegations thereof are intended as charges of matters of fact.

XXIV.

And the defendant specially demurs and objects to Count Number 2 of said indictment on the following grounds, to wit: That the said count is uncertain in the same particulars as above specified as uncertainty as to Count Number 1.

XXV.

And the defendant specially demurs and objects to Count Number 3 of said indictment on the following grounds, to wit: That the said count is uncertain in the same particulars as above specified as uncertainty as to Count Number 1.

XXVI.

And the defendant specially demurs and objects to Count Number 4 of said indictment on the following grounds, to wit: That the said count is uncertain in the same particulars as above specified as uncertainty as to Count Number 1.

XXVII.

And the defendant specially demurs and objects to Count Number 5 of said indictment on the following grounds, to wit: That the said count is uncertain in the same particulars as above specified as uncer-

tainty as to Count Number 1.

XXVIII.

And the defendant specially demurs and objects to Count Number 6 of said indictment on the following grounds, to wit: [55]. That the said count is uncertain in the same particulars as above specified as uncertainty as to Count Number 1.

PAUL W. SCHENCK,
Attorney for Defendant.

[Endorsed]: 672—Crim. In the District Court of the United States, in and for the Southern District of California, Southern Division. United States of America, Plaintiff, vs. John Grant Lyman, Defendant. Filed October 6, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. Demurrer. Recd. copy of within Oct. 6, 1913. Edward A. Regan, Special Ass't. Atty. Genl., Attorney for *Defendant*. Paul W. Schenck, Criminal Law, Los Angeles, California, 622 Laughlin Bldg. [56]

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Monday, the 6th day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.**Copy Order Overruling Demurrer and the Plea of
Deft.**

This cause coming on now, at the hour of 11:35 o'clock A. M., for the entry of defendant's plea; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and a demurrer to the indictment having been interposed; and said demurrer having been argued, in support thereof, by Paul Schenck, Esq., of counsel for defendant, and in opposition thereto by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney General; and said cause having been submitted to the Court for its consideration and decision on said demurrer to the indictment and the argument thereof; it is now by the Court ordered that defendant's said demurrer to the indictment be, and the same hereby is overruled; and defendant having been required to plead to said indictment, and having pleaded not guilty as charged therein, which plea is now by order of the Court entered herein; it is thereupon, by consent of both parties, by their solicitors of record, ordered that said cause be, and the same hereby is set down

for trial before the Court and a jury to be impaneled therein on Tuesday, the 14th day of October, 1913, at 10:30 o'clock A. M. Defendant is remanded to the custody of the U. S. Marshal. [57]

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 16th day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

Minutes of Trial—October 16, 1913.

This cause coming on this day to be tried before the Court and a jury to be impaneled; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings and acting as such; and both sides hav-

ing answered ready; and the Court having ordered that the trial proceed, and that a jury be impaneled herein; now, on motion of Paul Schenck, Esq., of counsel for defendant, the rule as to witnesses having been invoked during the impanelment of the jury, it is ordered that all witnesses in this cause except Postoffice Inspectors Raymond Gray and C. E. Webster be excluded from the courtroom during the impanelment of the jury in this cause; and the following twelve (12) term trial jurors having been duly drawn, called and sworn on *voir dire*, to wit: D. J. Brownstein, James Dodson, Chas. Plant, Henry T. Fuller, Stacy Tantum, R. Edwin Ibbetson, [58] H. J. Shoulters, S. M. Goddard, Charles Dreyfus, John F. Salyer, John M. Lydston and R. R. Briggs; and Edward A. Regan, Esq., Special Assistant to the U. S. Attorney General, of counsel for the United States, having made a statement to the jurors of the nature of this cause; and said jurors in the box having been examined by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States, and by Paul Schenck, Esq., of counsel for defendant; and Henry T. Fuller having been challenged for cause by defendant, which challenge is allowed by the Court and the juror excused; and the remaining eleven jurors in the box having been further examined by counsel for the Government and passed for cause by the Government, and having been further examined by counsel for defendant; and Geo. P. McLain, a term trial juror, having been duly drawn,

called, sworn on *voir dire* and examined by counsel for the Government and by counsel for defendant and passed for cause; and John F. Salyer having been challenged for cause by defendant, which challenge is allowed by the Court and the juror excused; and the Court having duly admonished the eleven jurors now in the box and the remaining jurors of the panel that, during the recess of the Court, they are not to permit other persons to talk to them, nor themselves talk to other persons, about this case or anything connected with this case; it is thereupon ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial, until which time the jurors in the box and the remaining jurors of the panel are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.) [59]

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time for the further trial of defendant before the Court and a jury now being impaneled; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody

of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; N. H. Peterson being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the eleven (11) jurors now in the box having been called and all being present; and the Court having ordered that the trial proceed; and Jacob A. Bunn, a term trial juror, having been duly drawn, called and sworn on *voir dire* in the place of John F. Salyer, challenged for cause by defendant and excused at the morning session of the Court, and said juror having been examined by counsel for the Government and passed for cause; and the twelve jurors now in the box having been further examined by counsel for defendant and passed for cause; and Chas. Plant having been challenged peremptorily by the Government and excused; and Frederick D. Colby, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and Geo. P. McLain, having been challenged peremptorily by defendant and excused; and W. C. Brode, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and Jacob A. Bunn, having been challenged peremptorily by [60] the Government and excused; and Clarence C. Smith, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and Stacy Tantum having been challenged peremptorily by defendant and excused;

and E. H. Dalton, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and John M. Lydson having been challenged peremptorily by the Government and excused; and Burton W. Smith, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and H. J. Shoulters having been challenged peremptorily by defendant and excused; and Oscar Doolittle, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and E. H. Dalton having been challenged peremptorily by the Government and excused; and Wilton B. Simmons, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and W. C. Brode having been challenged peremptorily by defendant and excused; and W. N. Wells, a term trial juror, having been duly drawn and called, and having thereupon been excused by consent of counsel for both sides; and J. Frank Burns, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by counsel for the Government and by counsel for defendant and passed for cause; and Clarence C. Smith having been challenged peremptorily by defendant and excused; and L. C. Lohman, a term trial juror, having been duly drawn, called, sworn on *voir dire*, examined by

counsel for the Government and by counsel for defendant and [61] passed for cause; and the twelve jurors now in the box having been accepted by counsel for both sides and duly sworn in a body as the jury to try this cause, said jury as so impaneled and sworn consisting of the following twelve jurors, to wit:

JURY:

- | | |
|------------------------|----------------------|
| 1. D. J. Brownstein, | 7. Oscar Doolittle, |
| 2. James Dodson, | 8. S. M. Goddard, |
| 3. Frederick D. Colby, | 9. Charles Dreyfus, |
| 4. Frank Burns, | 10. L. C. Lohman, |
| 5. Wilton B. Simmons, | 11. Burton W. Smith, |
| 6. R. Edwin Ibbetson, | 12. R. R. Briggs; |

—and the first count of the indictment having been read to the jury, and the remaining second, third, fourth, fifth and sixth counts of the indictment having been stated in substance to the jury and the letters contained in said second, third, fourth, fifth and sixth counts read to the jury (pursuant to the stipulation of counsel for both sides in open court); and defendant's plea of not guilty having been stated to the jury by the clerk; and the jury having been admonished by the Court that, during the progress of this trial, they are not to permit other persons to talk with them about this case or anything connected with this case, nor themselves talk to other persons about this case or anything connected therewith, and that, until said case is finally given them for consideration, under the instructions of the Court, they are not to talk with each other about this case or anything connected with this case; and Court, at the

hour of 3:43 o'clock P. M., having taken a recess for 10 minutes; and now at the hour of 3:53 o'clock P. M., Court having reconvened; and counsel, defendant and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States, having made a statement to the jury of what the Government expects to prove; and Paul Schenck, Esq., of counsel for defendant, having invoked the rule as to witnesses (with the exception of the two Postoffice Inspectors), it is ordered that all witnesses in this case except Postoffice [62] Inspectors Raymond Gray and C. E. Webster be, and they hereby are excluded from the courtroom during the trial of this case, except when they are necessarily present for the purpose of giving their testimony; and Celora M. Stoddard having been called and sworn as a witness on behalf of the United States, and having given his testimony; and the Court having given the jury the usual admonition; it is, at the hour of 4:30 o'clock P. M., by the Court ordered that this cause be, and the same hereby is continued until Friday, the 17th day of October, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 17, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 17th day of October, in the year of our Lord, one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and I. Benjamin and N. H. Peterson having been sworn as shorthand reporters of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Celora M. [63] Stoddard, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testi-

mony; and, in connection with the testimony of said witness the Government having offered for identification the following exhibits, which are for identification marked with the following exhibit numbers, to wit: U. S. Ex. 1, Letter of April 19, 1911, from J. G. Lyman, addressed to Stoddard Incorporating Co.; U. S. Ex. 2, Letter of April 21, 1911, from Celora M. Stoddard, addressed to Mr. J. G. Lyman; U. S. Ex. 3, Letter of April 28, 1911, from John G. Lyman, addressed to Stoddard Incorporating Co.; U. S. Ex. 4, Letter of May 26, 1911, from Panama Development Co., addressed to Stoddard Incorporating Trust Co.; U. S. Ex. 5, Letter of July 24, 1911, from Panama Development Co., addressed to Stoddard Incorporating Co.; U. S. Ex. 6, Letter of July 26, 1911, from Celora M. Stoddard, addressed to Panama Development Co.; and U. S. Ex. 7, Letter of August 9, 1911, from Panama Development Co., addressed to Stoddard Incorporating Co.; and John Redpath having been called and sworn as a witness on behalf of the United States and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, heretobefore offered and marked for identification, which are admitted in evidence on behalf of the United States, to wit: U. S. Ex. 1, Letter of April 19, 1911, from J. G. Lyman, addressed to Stoddard Incorporating Co.; U. S. Ex. 2, Letter of April 21, 1911, from Celora M. Stoddard, addressed to Mr. J. G. Lyman; U. S. Ex. 3, Letter of April 28, 1911, from John G. Lyman, addressed to Stoddard Incorporating Co.; U. S. Ex. 5,

Letter of July 24, 1911, from Panama Development Co., addressed to Stoddard Incorporating Co.; and U. S. Ex. 6, Letter of July 26, 1911, from Celora M. Stoddard, addressed to Panama Development Co.; and the Government having offered a certified copy of Articles of Incorporation of Panama Development Company, which is admitted in evidence as U. S. Ex. 8, and Celora M. Stoddard, a witness on behalf [64] of the United States, having been recalled for further examination, and having given his testimony; and the court, at the hour of 11:30 o'clock A. M., having taken a recess for 8 minutes; and now, at the hour of 11:38 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present as before; *and the roll of the jury having been called, and all being present*; and Hernan de la Guardia having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 9, Letter of March 30, 1911, from John G. Lyman, addressed to Hernan de la Guardia; U. S. Ex. 10, Letter of April 8, 1911, from John G. Lyman, addressed to Señor Hernan de la Guardia; U. S. Ex. 11, Letter of April 14, 1911, from John G. Lyman, addressed to Señor Hernan de la Guardia; U. S. Ex. 12, Letter of April 15, 1911, from John G. Lyman, addressed to Señor Hernan de la Guardia; U. S. Ex. 13, Map of the Re-

public of Panama; and U. S. Ex. 14, Letter of April 20, 1911, from John G. Lyman, addressed to Señor de la Guardia; and counsel for the respective parties having stipulated in open court that the contents of all documentary evidence admitted in evidence but not read may be copied by the shorthand reporter into his transcript of the proceedings of the trial, it is, on motion and by consent, ordered that said shorthand reporter may withdraw temporarily all exhibits admitted in evidence in this case for the purpose of so copying them into the record; and court, at the hour of 12:25 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M. of this day.

And now, at the hour of 2 o'clock P. M., the court having reconvened; and the defendant, counsel and the shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a witness on behalf of the United States, having resumed the stand for [65] further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 15, Letter of May 2, 1911, from Lyman, addressed to Señor Hernan de la Guardia; U. S. Ex. 16, Telegram of Apr. 28, 1911; U. S. Ex. 17, Letter of May 11, 1911, from John G. Lyman, addressed to Señor de la Guardia; U. S. Ex. 18, Letter of May 16, 1911, from John G. Lyman, addressed to Señor de la Guardia; U. S. Ex. 19, Letter of May 16, 1911, from John G.

Lyman, addressed to Señor de la Guardia; U. S. Ex. No. 20, Letter of May 16, 1911, H. de la Guardia to Dr. John G. Lyman; U S Ex 21, Letter of May 27, 1911, from Lyman, addressed to Mr. Hernan de la Guardia; U. S. Ex. 22, Letter of May 31, 1911, from Lyman, addressed to Mr. Hernan de la Guardia; U. S. Ex. 23, Letter of June 15, 1911, from H de la Guardia, addressed to Mr. E. A. Lynn; U. S. Ex. 24, Letter of June 21, 1911, from H. de la Guardia, addressed to E. A. Lynn; U. S. Ex. 25, Letter of June 23, 1911, from Panama Development Co., addressed to Hernan de la Guardia, also a slip attached to said letter; U. S. Ex. 26, Letter of June 23, 1911, from Panama Development Co., addressed to Hernan de la Guardia; U. S. Ex. 27, Letter of June 23, 1911, from Panama Development Co., addressed to Hernan de la Guardia; U. S. Ex. 28, Letter of July 5, 1911, from Panama Development Co. to Mr. Hernan de la Guardia; U. S. Ex. 29, Letter of July 10, 1911, from Panama Development Co. to Hernan de la Guardia; U. S. Ex. 30, Letter of July 11, 1911, from Panama Development Co. to Hernan de la Guardia; U. S. Ex. 31, Letter of July 12, 1911, from H. de la Guardia, addressed to Mr. John G. Lyman; and court, at the hour of 3:32 o'clock P. M., having taken a recess for 16 minutes; and now, at the hour of 3:48 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; [66] and Hernan de la Guardia, a witness on behalf of the United States, being on the stand for further examination,

and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 32, Letter of July 18, 1911, from Lyman, addressed to Sr. Hernan de la Guardia; U. S. Ex. 33, Letter of July 25, 1911, from Lyman, addressed to Sr. Hernan de la Guardia; and U. S. Ex. 34, Letter of July 31, 1911, from H. de la Guardia, addressed to Panama Development Co.; now, at the hour of 4 o'clock P. M., it is ordered that this cause be passed temporarily for further trial, to enable the Court to receive a partial report of the U. S. Grand Jury, this cause to be called again for further trial immediately after receiving of said report of the grand jury and the entry of the orders connected therewith or occasioned thereby.

(At 4:05 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on now, at the hour of 4:05 o'clock P. M., to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal,

with his counsel, Paul Schenck, Esq., N. H. Peterson being present as shorthand reporter of the testimony and proceedings, and acting as such; and Hernan de la Guardia, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the [67] Government having offered the following exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 35, Letter of July 29, 1911, from John G. Lyman, addressed to Mr. Hernan de la Guardia; and the Government, in connection with the testimony of said witness having offered for identification Contract No. 13, which is for identification marked with the following exhibit number, to wit: U. S. Ex. 36; and the jury having been given the usual admonition by the Court, it is, at the hour of 4:30 o'clock P. M., ordered that said cause be, and the same hereby is, continued until Tuesday, the 21st day of October, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 21, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Tuesday, the 21st day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin and N. H. Peterson being present as shorthand reporters of the testimony and proceedings; and the roll of the jury having been called on the [68] call of the entire panel of term trial jurors, and all being present; and a question of law concerning the admission of certain documentary evidence having been argued, on behalf of defendant, by Paul Schenck, Esq., of counsel for defendant; and the jury, at the hour of 11:06 o'clock A. M., having been excused until the hour of 2 o'clock P. M., of this day; and said question of law concerning the admission of certain documentary evidence having been further argued by Paul Schenck, Esq., of counsel for defendant; and court, at the hour of 11:28 o'clock A. M., having taken a recess for 10 minutes; and now, at the hour of 11:38 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporters being present as before; and said question of law concerning the admission

of certain documentary evidence having been further argued, on behalf of defendant, by Paul Schenck, Esq., of counsel for defendant, and on behalf of the Government by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and court, at the hour of 12:15 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M., of this day.

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and the shorthand reporters being present as at the morning session of court; and the roll of the jury having been called, and all being present; and said question of law concerning the admission of certain documentary evidence having been further argued, on behalf of the Government, by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; it is, at the hour of 2:20 o'clock P. M., ordered that this cause be, and the same hereby is passed temporarily for further trial, to enable the Court to receive a partial report of the U. S. Grand Jury, this cause to be called again for further trial immediately after the receiving of said partial [69] report and the entry of the orders connected therewith and occasioned thereby.

(At 2:22 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

This cause coming on now, at the hour of 2:22 o'clock P. M., for further trial before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., the shorthand reporters being present as before; and the jurors in this case, who did not leave their seats, each and all being present; and a question of law concerning the admission of certain documentary evidence having been further argued, on behalf of the United States by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, and on behalf of defendant by Paul Schenck, Esq., of counsel for defendant; and W. I. Madeira having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 37, Letter of July 26, 1911, from Santiago de la Guardia, addressed to Senor E.

A. Lynn, and translation of the same; and U. S. Ex. 38, Letter of Aug. 12, 1911, from John G. Lyman, addressed to Mr. Hernan de la Guradia; and M. de Haaf having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 3:30 [70] o'clock P. M., having taken a recess for 8 minutes; and now, at the hour of 3:38 o'clock P. M., court having reconvened; and defendant and counsel being present as before; N. H. Peterson being present as shorthand reporter of the testimony and proceedings, and the roll of the jury having been called, and all being present; and M. De Haff, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits which are admitted in evidence in its behalf, to wit: U. S. Ex. 39-A, small plate of Republic of Panama; U. S. Ex. 39-B, Colored Plate; U. S. Ex. 39-C, Colored Plate; U. S. Ex. 39-D, Colored Plate; U. S. Ex. 40, Map of Republic of Panama; U. S. Ex. 41, plate of drawing of U. S. Ex. 40; U. S. Ex. 41-A, Color Plate; U. S. Ex. 41-B, Color Plate; U. S. Ex. 41-C, Color Plate; U. S. Ex. 41-D, Color Plate; U. S. Ex. 42, twenty half tones; U. S. Ex. 41-E, Plate of Railroad; and Clarence E. Riley having been called and sworn as a witness on behalf of the United States, and having given his testimony; it is at the hour of 4:32 o'clock P. M., ordered that this cause be, and the same hereby is continued until Wednesday, the 22d day of October, 1913, at 10:30

o'clock A. M., for further trial until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [71]

Minutes of Trial—October 22, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the court-room thereof, in the city of Los Angeles, on Wednesday, the 22d day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and C. E. Riley, a witness on behalf of the United States,

having resumed the stand for further examination, and having given his testimony; and, F. F. Green having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 43, Map Agua Dulce Colony, Province of Cocle, Panama; and the Government having offered for identification a Plate, Agua Dulce Colony, Province of Cocle, Panama, which is for identification marked U. S. Ex. 44; and Ralph Garnier having been called and sworn as a witness on behalf of the United States, and having given his testimony and [72] now, by consent, U. S. Ex. 43, heretofore admitted in evidence, having been withdrawn and the mark of its filing stricken out, and said exhibit having been marked for identification U. S. Ex. 43, being Map of Agua Dulce Colony, Province of Cocle, Panama; and Richard C. Pendlant having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 11:30 o'clock A. M., having taken a recess for 10 minutes; and now, at the hour of 11:40 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called and all being present; and T. P. Smith having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in

evidence in its behalf, to wit: U. S. Ex. 45, Circular, "The Gateway to Opportunity"; U. S. Ex. 46, Panama Development Company, Land Agreement; and U. S. Ex. 47, Letter head of Panama Development Company; and U. S. Ex. 48, Pamphlet, Panama Development Company; and court, at the hour of 12:30 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M., of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as at the morning session of court; and the roll of the jury having been called, and all being present except juror James Dodson, who comes in later; and T. P. Smith, a witness, on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 49, Application for land; U. S. Ex. 50, Copy proof and [73] folder directed to "Mr. Careful Man"; and, also in connection with the testimony of said witness, the Government having offered for identification a copy, first and second proofs and folder of Panama Sugar Estates Limited; and, also in connection with the testimony of said witness, the Government having offered the following exhibit, which are admitted in evidence in its behalf, to wit: U. S. Ex. 52, Two letter-heads, Panama Development Company; U. S. Ex. 53, Letter-head, Panama Development Company, in different color; U. S. Ex. 54A, Pink Folder, "Panama Lands";

U. S. Ex. 54B, Copy "Panama Lands"; U. S. Ex. 54C, Proof, "Panama Lands"; U. S. Ex. 54D, Dummy; U. S. Ex. 55A, Folder, "Panama"; U. S. Ex. 55B, Dummy; U. S. Ex. 55C, Press proof; U. S. Ex. 56, Print, Agua Dulce Colony; U. S. Ex. 57, Black and white proof of U. S. Ex. 41; U. S. Ex. 58, Colored finished product of U. S. Ex. 41; U. S. Ex. 59, Colored finished product of U. S. Ex. 41 and other plates; and court, at the hour of 3:38 o'clock P. M., having taken a recess for 12 minutes; and now, at the hour of 3:50 o'clock, P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and T. P. Smith, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 60, Map of the Republic of Panama; U. S. Ex. 61, Letter of July 12, 1911, from L. R. Smith, addressed to Segnogram Press; U. S. Ex. 62, Pamphlet, "Timber Resources of Panama"; U. S. Ex. 63, Circular, "To Prospective Buyers of Timber Lands"; U. S. Ex. 64, Letter to Segnogram Press, dated July 19, 1911; and U. S. Ex. 65, Application for land; it is, at the hour of 4:30 o'clock P. M. ordered that said cause be, and the same hereby is continued until Thursday, the 23d day of October, 1913, at 10:30 o'clock A. M. for further trial, until which time the jury are excused. Defendant is [74] remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 23, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 23d day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs.

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin, being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Ralph L. Garnier, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and T. P. Smith, a witness on behalf of the United States having been

recalled for further examination, and having given his testimony; and, in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 66-A, "Agreement"; U. S. Ex. 66-B, Copy of "Agreement"; U. S. Ex. 67, Letter of Aug. 2, 1911, to Segnogram Press; U. S. Ex. 68-A, Folder, "The Gateway to Opportunity"; U. S. Ex. [75] 68-B, Copy, "The Gateway to Opportunity"; and U. S. Ex. 69, being *being* checks bearing following numbers and in amounts as follows, to wit: #133, for \$300; #177, for \$140.10; #178, for \$28.80; #218, for \$137.50; #248, for \$282.80; #279, for *for* \$269.50; #325, for \$180.70; #356, for \$269.50; and court, at the hour of 11:42 o'clock A. M. having taken a recess for 6 minutes; and now, at the hour of 11:48 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and T. P. Smith, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with said testimony, defendant having offered a pamphlet, which is admitted in evidence in his behalf as Defts. Ex. A; and John Redpath, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and court having thereupon, at the hour of 12:30 o'clock P. M., taken a recess until the hour of 2 o'clock P. M. of this day;

And now, the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand

reporter being present as at the morning session of the court; and the roll of the jury having been called, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, *and* in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence [76] in its behalf, to wit: U. S. Ex. 43 (heretofore offered and so marked for identification), Map, Ague Dulce Colony, Province of Cocle, Panama, U. S. Ex. 70, Letter of May 27, 1911, to Security Savings Bank; and U. S. Ex. 71, Stock Book and eight certificates; and, also in connection with said testimony, the Government having offered for identification a Report from Bradstreet's, which is for identification marked U. S. Ex. 72, and, also in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 73, Letter of May 27, 1911, to R. G. Dun & Co.; and U. S. Ex. 74, Minute Book of Board of Directors and Record of Minutes of Aug. 21, 1911, on letter-head; and court, at the hour of 3:35 o'clock P. M., having taken a recess for 7 minutes; and now, at the hour of 3:42 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Redpath a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with said testimony, the Government having offered

the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 75, Promissory Note of Aug. 16, 1911; U. S. Ex. 76, Letter of June 3, 1911, to Manager, Los Angeles Stock Exchange; U. S. Ex. 4 (heretofore offered for identification and so marked), Letter of May 26th, 1911, to Stoddard Incorporating Trust Co.; U. S. Ex. 7 (heretofore offered for identification and so marked), Letter of August 9, 1911, to Stoddard Incorporating Co.; and U. S. Ex. 51 (heretofore offered for identification and so marked), Copy, first and second proofs, and folder of Panama Sugar Estates Limited; and the court having given the jury the usual admonition; it is, at the hour of 4:33 o'clock P. M., [77] ordered that this cause be, and the same hereby is continued until Tuesday, the 28th day of October, 1913, at 10:30 o'clock A. M., for further trial, until which time the jury are excused. Defendant is remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 28, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Tuesday, the 28th day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin, being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, in connection with the call of the roll of the entire panel of term trial jurors, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 77, Deed to Lot 285, Edendale Tract, signed Elizabeth Leach; U. S. Ex. 78, Land Agreement between Elizabeth Leach and Panama Development Co.; U. S. Ex. 79, Agreement between [78] Elizabeth Leach and Panama Development Co.; U. S. Ex. 80, Mortgage on Lot 285 Edendale Tract; U. S. Ex. 81, Land Agreement between Francis Haldeman and Panama Development

Co.; and U. S. Ex. 82, Cultivation agreement between Francis Haldeman and Panama Development Co.; and, also in connection with said testimony, the Government having offered for identification a Mortgage of Riverside acreage signed by Francis Haldeman, which is for identification marked U. S. Ex. 83; and, also in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 84, Deed of Riverside land to John G. Lyman, signed Panama Development Co., U. S. Ex. 83 (heretofore offered for identification and so marked), Mortgage of Riverside Land, signed Francis Haldeman; and U. S. Ex. 85, Employment Contract between Panama Development Co. and E. D. Ryan; and, also in connection with said testimony, the Government having offered for identification a copy of letter to John Redpath, dated Aug. 25, 1913, which is for identification marked U. S. Ex. 86; and court, at the hour of 11:30 o'clock A. M., having taken a recess for 10 minutes and now, at the hour of 11:40 o'clock A. M., court having reconvened; and counsel, defendant and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 87, Telegram of Aug. 30, 1911, Jno. [79] G. Lyman to Panama

Development Co.; U. S. Ex. 88, Letter of Sept. 1, 1911, signed "L," to Mr. Redpath; U. S. Ex. 89, Letter of Sept. 4, 1911, unsigned, to Mr. Redpath; U. S. Ex. 90, cablegram of Sept. 3, 1911, and translation, unsigned, to "Lygrant"; U. S. Ex. 91, cablegram and translation of Sept. 4, 1911, unsigned, to Panamano; U. S. Ex., 92, telegram of Sept. 4, 1911, "R" to J. G. Lyman; U. S. Ex. 93, telegram of Sept. 5, 1911, "L" to John Redpath; U. S. Ex. 94, cablegram and translation, of Sept. 5, 1911, unsigned, to Panamano; U. S. Ex. 95, cablegram and translation, of Sept. 5, 1911, Armel to Panamano; U. S. Ex. 96, Letter and enclosure, of Sept. 5, 1911, unsigned, to Mr. Redpath; and U. S. Ex. 97, Letter of Sept. 6, 1911, unsigned, to Mr. Redpath; and court, at the hour of 12:15 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M. of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and T. P. Smith, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and, in connection with the testimony of said witness, defendant having offered for identification the following exhibits, which are for identification marked with the following exhibit numbers, to wit: Defts. Ex. B-1, Statement of Segnogram Press Co. with Panama Development Co., given to defendant by T. P. Smith; and Defts. Ex. B-2, Ledger account

of Panama Development Company with Segnagram Press Co.; and John Redpath, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf [80] to wit: U. S. Ex. 98, Telegram, Sept. 6, 1911, "L" to John Redpath; U. S. Ex. 99, Telegram of Sept. 6, 1911, Redpath to J. G. Lyman; U. S. Ex 100, Telegram of Sept. 6, 1911, Redpath to Lyman; U. S. Ex. 101, Telegram of Sept. 7, 1911, "L" to John Redpath; U. S. Ex. 102, Telegram of Sept. 7, 1911, Redpath to J. G. Lyman; U. S. Ex. 103, Telegram of Sept. 7, 1911, "L" to John Redpath; U. S. Ex. 104, Cablegram of Sept. 8, 1911, unsigned, to Panamano; and U. S. Ex. 105, Cablegram of Sept. 8, 1911, Smith to Lyman; and, also in connection with said testimony, the Government having offered the following exhibits, which are for identification marked with the following exhibit numbers, to wit: U. S. Ex. 106, Letter of Sept. 6, 1911, L. R. S. to Mr. R.; and U. S. Ex. 107, Letter of Sept. 13, 1911, L. R. Smith to P. D. Co.; it is now, at the hour of 3:19 o'clock P. M., ordered that this cause be, and the same hereby is passed temporarily for its further trial, to enable the Court to receive a partial report of the U. S. Grand Jury, this cause to be called again for further trial immediately after the receiving of said partial report and the entry of the orders connected therewith and occasioned thereby.

(At 3:22 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on now, at the hour of 3:22 o'clock P. M., to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of [81] California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and John Redpath, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered three (3) checks, which are admitted in evidence in its behalf as U. S. Ex. 108, to wit: Check No. 249, for \$1,000, drawn by Panama Development Co.; Check No. 199, for \$250, drawn by Panama Development Co.; and Check No. 426, for \$144.80, drawn by Panama Development Co.; and Court, at the hour of 3:29 o'clock P. M., having taken a recess for 9 minutes; and now, at the hour of 3:38 o'clock

P. M., Court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered certain other checks, which are admitted in evidence as part of U. S. Ex. 108 (heretofore admitted in evidence), to wit: Check No. 266, for \$200, drawn by Panama Development Co.; Check No. 146, for \$1,000, drawn by Panama Development Co.; Check No. 167, for \$100, drawn by Panama Development Co.; Check No. 352, for \$500, drawn by Panama Development Co.; Check No. 369, for \$1,000, drawn by Panama Development Co.; Check No. 372, for \$100, drawn by Panama Development Co.; Check No. 198, for \$500, drawn by Panama Development Co.; Check No. [82] 227, for \$240.74, drawn by Panama Development Co.; Check No. 462, for \$227.90, drawn by Panama Development Co.; Check No. 238, for \$300, drawn by Panama Development Co.; Check No. 135, for \$1,000, drawn by Panama Development Co.; and the Government having also offered the following exhibits, in connection with said testimony, which are admitted in evidence in its behalf, to wit: U. S. Ex. 109, Three land agreements, executed; and U. S. Ex. 110, Five additional land agreements and five powers of attorney; it is thereupon ordered that said cause be, and the same hereby is continued until Wednesday, the 29th day of October, 1913, at 10:30

o'clock A. M. Defendant is remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 29, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Wednesday, the 29th day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney, for the Southern District of California, appearing as counsel [83] for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jurors herein having been called in connection with the call of the roll of the entire

panel of term trial jurors, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and court, at the hour of 11:30 o'clock A. M., haven taken a recess for 7 minutes; and now, at the hour of 11:37 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Redpath, a witness, on behalf of the United States having been recalled for further examination, and having given his testimony; and court, at the hour of 12 o'clock M., having taken a recess until the hour of 2 o'clock P. M., of this day;

And now at the hour of 2 o'clock P. M., court having convened; and the defendant and counsel being present as before; E. S. Williams and I. Benjamin being present as shorthand reporters of the testimony and proceedings; and the roll of the jury having been called, and all being present; and John Redpath, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with said testimony, the Government having offered for identification a copy of a letter of June 2, 1911, to John Redpath, which is for identification marked U. S. Ex. 111; and Louis S. Parsons having been called and sworn as a witness on behalf of the United States, and having given his testimony, the Government having offered a copy of a letter from Louis S. Parsons to *June* Redpath, dated June 2, 1911,

(heretofore offered and marked for identification), which is admitted in evidence in its behalf as [84]. U. S. Ex. 111 and R. B. Hardacre and H. S. McKee having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and, in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 112, signature card of Panama Development Co. in National Bank of California; U. S. Ex. 113, letter copy of June 9, 1911, from cashier of National Bank of California to Panama Development Co.; and U. S. Ex. 114, Letter of June 10, 1911, John Redpath to H. C. McKee; and W. H. McKeag having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with said testimony, defendant having offered for identification a signature card of Panama Development Co.; with Park Bank, which is for identification marked Defts. Ex. C; and R. W. Watson having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 3:30 o'clock P. M., having taken a recess of 8 minutes; and now, at the hour of 3:48 o'clock P. M., court having convened; and defendant and counsel being present as before; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and R. W. Watson, a witness on behalf of the United States, having resumed the stand for further examination, and having given his

testimony; and R. B. Hardacre, a witness on behalf of the United States, having been recalled for further cross-examination, and having given his testimony; and, in connection with the testimony of said witness, defendant having offered for identification a signature card of Panama Development Co., with Security Savings Bank, which is for identification marked Defts. Ex. "D"; and Celora M. Stoddard, a witness on behalf of the United States [85] having been recalled for further examination, and having given his testimony; and in connection with the testimony of said witness, the Government having offered a certified copy of articles of incorporation of Panama Sugar Estates, Limited, which is admitted in evidence in its behalf as U. S. Ex. 115; and, also in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 116, Certified copy of Articles of Incorporation of Tropical Products Co., Limited; and U. S. Ex. 117, Amended Articles of Incorporation of Panama Development Co.; and J. J. Bradley having been called and sworn as a witness on behalf of the United States, and having given his testimony of said witness, the Government having offered a copy of letter to Bradstreets, which is admitted in evidence as U. S. Ex. 72 (the same having heretofore been offered and so marked for identification); it is, at the hour of 4:30 o'clock P. M., ordered that this cause be, and the same hereby is continued for further trial until Thursday, the 30th day of October, 1913, at 10:30 o'clock A. M., until which

time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

Minutes of Trial—October 30, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 30th day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant. [86]

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and W. H. Barry and Minnie A. Cooper having respectively been called and sworn as witnesses on behalf of

the United States, and having given their testimony; and, in connection with the testimony of said last named witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 118, "copy" for multigraph letter, of June 14, signed Panama Development Co.; U. S. Ex. 119, copy of multigraph letter, of June 19, 1911, signed Panama Development Co.; U. S. Ex. 120, Copy of multigraph letter of July 3, signed Panama Development Co.; U. S. Ex. 121, copy for multigraphed Cultivation Agreement; and U. S. Ex. 122; Copy for Multigraph letter, signed Panama Development Co.; and court, at the hour of 11:39 o'clock A. M., having taken a recess for 8 minutes; and now, at the hour of 11:47 o'clock A. M., court having convened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Minnie A. Cooper, a witness on behalf of the United States having resumed the stand for further examination and having given her testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 123, copy for multigraph letter to British Investors, signed Panama Development Co.; [87] U. S. Ex. 124, copy for multigraph circular signed Panama Development Co.; U. S. Ex. 125, copy for multigraph Land Agreement signed Panama Development Co.; U. S. Ex. 126, Multigraph letter signed (stamp) "L. R. Smith"; U. S. Ex. 127, multigraph letter circular signed Panama Develop-

ment Co.; U. S. Ex. 128, copy for multigraph letter circular signed Panama Development Co.; U. S. Ex. 129, copy for multigraph letter circular to British Investors; U. S. Ex. 130, copy for multigraph letter circular of Aug. 3, signed Panama Development Co.; U. S. Ex. 131, copy for multigraph letter circular of Aug. 12, signed Panama Development Co.; U. S. Ex. 132, copy for multigraph letter circular of Aug. 18, signed Panama Development Co.; U. S. Ex. 133, copy for multigraph letter circular of Aug. 25, signed Panama Development Co.; and U. S. Ex. 134, signature cut of L. R. Smith"; and Leta Hubb having been called and sworn as a witness on behalf of the United States and having given her testimony; and court, at the hour of 12:35 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M. of this day:

And now at the hour of 2 o'clock P. M., court having re-convened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called and all being present; and Leta Hubb, a witness on behalf of the United States, having resumed the stand for further examination, and having given her testimony; and, in connection with the testimony of said witness, the United States having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 135, "Bill Jones' Soap," advertisement in Los Angeles Examiner, May 28, 1911; U. S. Ex. 136, "Panama Lands," advertisement in Los Angeles Examiner, June 4, 1911; U. S. Ex. 137, "Are You So?" advertisement in Herald, July 12, 1911; U. S. Ex. 138

“Forty-niner,” Advertisement in Los Angeles Examiner, July 22, 1911; [88] U. S. Ex. 139, “If Columbus,” advertisement in Los Angeles Examiner of July 25, 1911; U. S. Ex. 140, “Death Rate,” advertisement in Los Angeles Examiner of July 26, 1911; U. S. Ex. 141, “What Have You?” advertisement in Los Angeles Examiner of July 26, 1911; U. S. Ex. 142, “Keep Your Eye,” advertisement in Los Angeles Examiner of Aug. 9, 1911; U. S. Ex. 143, “Never in History,” advertisement in Los Angeles Examiner of Aug. 7, 1911; and U. S. Ex. 144, letter, L. R. Smith to Paul A. Hauser, of June 19, 1911; and court, at the hour of 2:32 o’clock P. M., having taken a recess for 5 minutes; and now, at the hour of 2:37 o’clock P. M., court having reconvened; and defendant, counsel and shorthand reported being present as before; and the roll of the jury having been called, and all being present; and Leta Smith, a witness on behalf of the United States, having resumed the stand for further examination and having given her testimony, and in connection with her testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 145, letter, blank signature, to Mrs. Dr. Steele, no date; U. S. Ex. 146, letter, blank signature, to O. Hellweg, of June 19, 1911; and U. S. Ex. 147, letter, L. R. Smith to Mrs. O. Hellwig, of July 10, 1911; it is, at the hour of 4:30 o’clock P. M., ordered that this cause be, and the same hereby is continued until Friday, the 31st day of October, 1913, at 10:30 o’clock A. M., for further trial, until which time the jury are excused. Defendant is remanded to the custody of the U. S. Marshal. [89]

Minutes of Trial—October 31, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 31st day of October, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Leta Hubb, a witness on behalf of the United States, having been recalled for further cross-examination, and having given her testimony; and Court, at the hour of 11:30 o'clock

A. M., having taken a recess for 8 minutes; and now, at the hour of 11:36 o'clock A. M., Court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; it is thereupon ordered that this cause be, and the same hereby is passed temporarily to enable the Court to enter an order in another cause, this case to [90] be called again for further trial immediately after the making of said order.

(Later in the forenoon.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause having been called at this time for further trial before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the jurors all being present; and Leta Hubb, a witness on behalf of the United States, having resumed the stand for further examination, and having given her testimony; it is by the Court ordered that U. S. witnesses herein be

not discharged until Government's counsel has consulted defendant's counsel regarding the time when they shall be discharged; and Nora E. Clark having been called and sworn as a witness on behalf of the United States, and having given her testimony; and court, at the hour of 12:30 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M., of this day.

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being [91] present as before; and the roll of the jury having been called, and all being present; and Nora E. Clark, a witness on behalf of the United States, having resumed the stand for further examination, and having given her testimony; and, in connection with the testimony of said witness, the Government having offered certain exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 86 (heretofore offered and so marked for identification); U. S. Ex. 148, Letter of Aug. 25, 1911, Geo. M. Byrd to Thomas O'Rourke; and U. S. Ex. 149, Letter of Aug. 23, 1911, Thos. O'Rourke to "Dear Sir"; and, also in connection with the testimony of said witness, the Government having offered for identification two exhibits, which are for identification marked with the following exhibit numbers, to wit: U. S. Ex. 150, copy of Letter of Sept. 5, 1911, unsigned, to N. Campbell; and U. S. Ex. 151, Letter "L. R. Smith" to Thomas O'Rourke of July 24, 1911; and R. J. Haldeman having been called and sworn as a witness on behalf of the United States, and having given his testimony; and the

court, at the hour of 3:45 o'clock P. M., having given the jury the usual admonition, and having excused the jurors until Tuesday, the 4th day of November, 1913, at 10:30 o'clock A. M.; and defendant, by his counsel, having requested that the court direct that leave be granted defendant to examine certain papers in the office of Edward A. Regan, Esq., Special Assistant to the Attorney General; and said request of defendant having been argued by counsel for the Government and by counsel for defendant; it is, at the hour of 4 o'clock P. M., ordered that this cause be, and the same hereby is continued for further trial and further discussion of said request of defendant until Saturday, the 1st day of November, 1913, at 10:30 o'clock A. M. [92]

Minutes of Trial—November 1, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Saturday, the 1st day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,	
	Plaintiffs,
	vs.
JOHN GRANT LYMAN,	
	Defendant.

This cause coming on this day for further trial and proceedings; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; the jury not being present, having heretofore been excused until Tuesday, the 4th day of November, 1913. at 10:30 o'clock A. M.; and defendant's request that by direction of the court he be granted leave to examine certain papers in the office of Edward A. Regan, Special Assistant to the U. S. Attorney for the Southern District of California, having been further argued by Paul Schenck, Esq., of counsel for defendant, and by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California of counsel for the United States; it is, at the hour of 10:47 o'clock A. M., ordered that this cause be, and the same hereby is continued until Monday, the 3d day of November, 1913, at 10:30 o'clock A. M., for further trial and proceedings. Defendant is remanded to the custody of the U. S. Marshal. [93]

Minutes of Trial—November 3, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the court-room thereof, in the city of Los Angeles, on Monday, the 3d day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further heard on defendant's request that the court direct that said defendant be granted permission to inspect the papers connected with said defendant as this case in the office of Edward A. Regan, Esq., Special Assistant to the U. S. Attorney, for the Southern District of California, and for other proceedings connected with and a part of the further trial of said cause; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; Paul Schenck, Esq., appearing as counsel for defendant; I. Benjamin being present as shorthand reporter of the proceedings; the jury not being pres-

ent, having heretofore been excused until Tuesday, the 4th day of November, 1913, at 10:30 o'clock A. M., and defendant's said request for leave to inspect certain papers having been further argued, on behalf of defendant, by Paul Schenck., Esq., of counsel for defendant, and on behalf of the Government by Edward A. Regan, Special Assistant to the U. S. Attorney or the Southern District of California, of counsel for the United States; and said cause having been temporarily passed for further hearing and proceedings; and thereafter said cause having been called again for further hearing and proceedings; counsel and shorthand reporter being present as before; and defendant now being present in custody of the U. S. Marshal; it is by the Court ordered that defendant's said request be, and the same [94] hereby is granted to this extent, namely, it is ordered that all books and papers relating to the subject matter of this case now on trial which are in the custody of said Special Assistant to the U. S. Attorney for the Southern District of California be open to the inspection of defendant and his counsel (said defendant during said inspection to remain in custody of the U. S. Marshal), from the hour of 11 o'clock A. M., of this day until the hour of 4:30 o'clock P. M., of this day. Defendant is remanded to the custody of the U. S. Marshal, and it is ordered that this cause be, and the same hereby is continued until Tuesday, the 4th day of November, 1913, at 10:30 o'clock A. M., for further trial and proceedings.

Minutes of Trial—November 4, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the court-room thereof, in the city of Los Angeles, on Tuesday, the 4th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings and acting as such; and the roll of the jury having been called, and all being present; and H. J. Haldeman, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and, in connection with the testimony of said

witness, the Government having offered an exhibit (heretofore offered and marked for identification), which is admitted in evidence as U. S. Ex. 44; and F. T. Morrison having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 152, copy of telegram, John G. Lyman [96] to F. T. Morrison, of Sept. 6, 1911; and U. S. Ex. 153, Letter, John G. Lyman, to F. T. Morrison, of Sept. 6, 1911; and, also in connection with said testimony, the Government having offered for identification a letter, F. T. Morrison to John G. Lyman, of Sept. 7, 1911, which is for identification marked U. S. Ex. 154; and N. R. Bell having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness the Government having offered for identification a letter, "L. R. S." to N. R. Bell, of July 10, 1911, which is for identification marked U. S. Ex. 155; and, in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 156, Letter John G. Lyman to N. R. Bell, of Sept. 1, 1911; and U. S. Ex. 157; Telegram, John G. Lyman to N. R. Bell, of Sept. 1, 1911; and U. S. Ex. 158, Copy of Letter, unsigned, to N. R. Bell, of Sept. 5, 1911; and Jacob Vandegrift having been called and sworn as a witness on behalf of the United States, and having given

his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit; U. S. Ex. 159, copy telegram, John G. Lyman to Jacob Vandegrift, of Sept. 16, 1911; and U. S. Ex. 160, Letter, John G. Lyman to Jacob Vandegrift, of Sept. 6, 1911; and Raymond Gray having been called and sworn as a witness on behalf of the United States, and not having given his testimony at this time; and G. M. Byrd having been called and sworn as a witness on behalf of the United States and having given his testimony; and court having excused the jury until the hour of 2:30 o'clock P. M., of this day; it is, [97] at the hour of 12 o'clock M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time for the further trial thereof in open court; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with

his counsel, Paul Schenck, Esq.; and jury not being present in court, having heretofore been by the court excused until the hour of 2:30 o'clock P. M., of this day; I. Benjamin being present as shorthand reporter of the testimony and proceedings and acting as such; and a question of the admissibility of certain evidence having been argued, on behalf of the Government, by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, and on behalf of the defendant by Paul Schenck, Esq., of counsel for defendant; and the jury, at the hour of 3:03 o'clock P. M., having been called into court; and the roll of the jury having been called, and all being present; and B. B. Bush having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the government having offered the following exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 161, consisting of the following; Letter, B. B. Bush, to John G. Lyman of Aug. 25, 1911; copy of letter, [98] John G. Lyman to B. B. Bush of Aug. 26, 1911; copy of telegram, John G. Lyman to B. B. Bush, of Sept. 6, 1911; Telegram, B. B. Bush to John G. Lyman of Sept. 6, 1911, and copy of letter, John G. Lyman to B. B. Bush of Sept. 6, 1911; and the court, at the hour of 3:16 o'clock P. M., having excused the jury until Wednesday, the 5th day of November, 1913, at 10:30 o'clock A. M., and a question of the admissibility of certain evidence having been further argued by Paul Schenck, Esq., of counsel for defendant, on

behalf of defendant, and by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California of counsel for the United States, on behalf of the Government; it is, at the hour of 3:48 o'clock P. M., by the court ordered that this cause be, and the same hereby is continued until Wednesday, the 5th day of November, 1913, at 10:30 o'clock A. M., for further trial. Defendant is remanded to the custody of the U. S. Marshal. [99]

Minutes of Trial—November 5, 1913.

At a stated term, to wit, the July Term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Wednesday, the 5th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern

District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and the jury, at the hour of 10:40 o'clock A. M., having been excused from the courtroom temporarily; and a question of the admissibility of certain evidence having been further argued, on behalf of defendant, by Paul Schenck, Esq., of counsel for defendant, and on behalf of the Government by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; it is now by the Court ordered that the objections of defendant to the introduction of said evidence be, and the same hereby are overruled; and the jury, at the hour of 11:48 o'clock A. M., having been recalled into court; and the roll of the jury having been called, and all being [100] present; and court, at the hour of 11:49 o'clock A. M., having taken a recess until the hour of 2 o'clock P. M. of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called and all being present; and G. M. Byrd, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and court, at the hour of 3:22 o'clock P. M., having taken

a recess for 13 minutes; and now, at the hour of 3:40 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and G. M. Byrd, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered for identification a Telegram, without signature, to Geo. M. Byrd, dated Sept. 4, 1911, which is for identification marked U. S. Ex. 162; and, also in connection with said testimony, defendant having offered an affidavit of G. M. Byrd, of Sept. 11, 1911, which is admitted in evidence as Defts. Ex. "E"; it is, at the hour of 4:36 o'clock P. M., ordered that this cause be, and the same hereby is continued until Thursday, the 6th day of November, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [101]

Minutes of Trial—November 6, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 6th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., and M. H. Conlee being present as shorthand reporter of the testimony and proceedings, and acting as such; and G. M. Byrd, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered an affidavit of G. M. Byrd, signed on Sept. 12, 1911, which is admitted in evidence as U. S. Ex. 163; and court, at the hour of 10:55 o'clock A. M., having taken a recess for 9 minutes; and now, at the hour of 11:04 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Earl A. R. Lynn having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the

hour of 11:54 o'clock [102] P. M., having taken a recess for 6 minutes; and now, at the hour of 12 o'clock M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; thereafter, at the hour of 12:07 o'clock P. M., it is ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M. of this day for further trial, until which time the jury are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., M. H. Conlee being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Earl A. R. Lynn, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Gov-

ernment having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 164, Letter from E. A. R. Lynn to Frederick L. Anderson, of Aug. 28, 1911; and U. S. Ex. 165, Book, "Am I Insane"; and court, at the hour of 3:31 o'clock P. M., having taken a recess for 8 minutes; and now, at the hour of 3:39 o'clock P. M., court having reconvened; and defendant, [103] counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Earl A. R. Lynn, a witness on behalf of the United States, having resumed the stand for further cross-examination, and having given his testimony; and G. L. Maynard, and Nathaniel Campbell having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and, in connection with the testimony of said last-named witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 166, Letter Nathaniel Campbell to Panama Development Co., of Aug. 29, 1911; and U. S. Ex. 150 (heretofore offered and marked for identification); it is, at the hour of 4:33 o'clock P. M., ordered that this cause be, and the same hereby is continued until Friday, the 7th day of November, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [104]

Minutes of Trial—November 7, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 7th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Ralph Spofford French having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the

Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 167, copy of Letter, Panama Development Company to Ralph Spofford French, of May 26, 1911; U. S. Ex. 168, Copy of Letter, Panama Development Company to Mr. R. Spofford French, of July 21, 1911; U. S. Ex. 169, Letter, R. Spofford French to Mr. [105] Lyman, of Aug. 1, 1911; U. S. Ex. 170, copy of letter, unsigned, to R. Spofford French, of Aug. 2, 1911; U. S. Ex. 171, Letter, R. Spofford French to Panama Development Co., of Aug. 4, 1911; U. S. Ex. 172, Copy of Letter, Panama Development Co. to R. Spofford French, of Aug. 5, 1911; U. S. Ex. 173, Letter, R. Spofford French to Panama Development Company of Aug. 7, 1911; and U. S. Ex. 174, Copy of Letter, Panama Development Company to R. Spofford French, of Aug. 8, 1911; and court, at the hour of 11:35 o'clock A. M., having taken a recess for 6 minutes; and now, at the hour of 11:41 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and Ralph Spofford French, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 175, Letter, R. Spofford French to Panama Development Company of July 31, 1911; U. S. Ex. 176, Letter, R. Spofford French to Panama Development Co. of Aug. 10, 1911; and U. S. Ex. 177, Copy Letter, Panama Development

Company to R. Spofford French, of Aug. 11, 1911; and court, at the hour of 12:30 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M. of this day;

And now, at the hour of 2 o'clock P. M., the court having reconvened; defendant and counsel being present as before; M. H. Conlee and I. Benjamin being present as shorthand reporters of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Ralph Spofford French, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 178, Letter, R. Spofford [106] French to John G. Lyman of Aug. 8, 1911; and U. S. Ex. 179, copy of letter, Panama Development Co. to R. Spofford French of Aug. 9, 1911; and, also in connection with said testimony, defendant having offered a letter, R. Spofford French to Panama Development Co. of May 29, 1911, which is admitted in evidence in his behalf as Defts. Ex. "G"; and Clinton Johnson and J. E. Wagner having been called and sworn as witnesses on behalf of the United States, and having given their testimony; and, in connection with the testimony of said last-named witness, the Government having offered a letter, G. L. Maynard to J. E. Wagner, of July 10, 1911, which is admitted in evidence as U. S. Ex. 180; and Fred Irving Palmer having been called and sworn as a witness on behalf of

the United States, and having given his testimony; and court, at the hour of 3:30 o'clock P. M., having taken a recess for 8 minutes; and now, at the hour of 3:38 o'clock P. M., court having reconvened; and defendant and counsel being present as before; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Fred Irving Palmer, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and Raymond Gray, a witness on behalf of the United States, having been recalled for further examination and having given his testimony; and Mrs. Sadie Walden having been called and sworn as a witness on behalf of the United States, and having given her testimony; and the Court having given the jury the usual admonition; it is, at the hour of 4:11 o'clock P. M., by the Court ordered that this cause be, and the same hereby is continued until Thursday, the 13th day of November, 1913, at 10:30 o'clock A. M. Defendant is remanded to the custody of the U. S. Marshal. [107]

Minutes of Trial—November 13, 1913.

At a stated term, to wit, the July Term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 13th day of November, in the year

of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and the roll of the jury having been called, and all being present; and Alexander T. Murray having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 181, advertising contract of Panama Development Co.; with "Los Angeles Examiner"; U. S. Ex. 182, Coffee Plantation advertisement in "Los Angeles Examiner," August 30, 1911; and U. S. Ex. 183, "To Investors," and advertisement in "Los Angeles Examiner," Sept. 1, 1911; and Otto G. St. Oegger and Thomas O'Rourke having respectively been called and sworn as witnesses on behalf of the United

States, and having given their testimony; and, in connection with the [108] testimony of the last-named witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 184, Letter, L. R. Smith to Thomas O'Rourke, of June 20, 1911; U. S. Ex. 185-A, Letter, L. R. Smith to Thomas O'Rourke of June 24, 1911; U. S. Ex. 185-B, Application blank for Panama Land; U. S. Ex. 186-A, Letter, L. R. Smith to Thomas O'Rourke, of June 28, 1911; U. S. Ex. 186-B, Map of Panama; U. S. Ex. 186-C, Envelope; U. S. Ex. 187, Letter, L. R. Smith to Thomas O'Rourke, of July 1, 1911; and U. S. Ex. 151 (heretofore offered for identification and so marked); and, court, at the hour of 11:30 o'clock A. M., having taken a recess for 10 minutes; and, now, at the hour of 11:40 o'clock A. M., court having reconvened; and defendant and counsel being present as before; Monroe H. Conlee being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Thomas O'Rourke, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a letter, L. R. Smith to Thomas O'Rourke, of July 27, 1911, which is admitted in evidence in its behalf as U. S. Ex. 188; and court, at the hour of 12:30 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M. of this day;

And now, at the hour of 2 o'clock P. M., court hav-

ing reconvened, and defendant and counsel being present as before; Monroe H. Conlee being present as shorthand reporter and acting as such; and the roll of the jury having been called, and all being present; and Thomas O'Rourke, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having [109] offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 189, Letter, Thos. O'Rourke to "Dear Sir," of July 23, 1911; U. S. Ex. 190, Letter, L. R. Smith to Thomas O'Rourke, of July 20, 1911; and U. S. Ex. 191, Letter, Thos. O'Rourke to "Dear Sir," of July 18, 1911; and Frederick Lawrence Anderson having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 92, Letter, "L. R. Smith" to Fred'r'k L. Anderson, of July 13, 1911; and, also in connection with the said testimony, defendant having offered the following exhibit, which is admitted in evidence in his behalf, to wit: Defts. Ex. "H," Friman application for land; and, also in connection with said testimony, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 193, A. Friman land agreement; and U. S. Ex. 193-B, Friman cultivation agreement; and court, at the hour of 3:35 o'clock P. M., having taken a re-

cess for 10 minutes; and now, at the hour of 3:45 P. M., court having reconvened; and defendant and counsel being present as before; I. Benjamin being present as shorthand reporter of the testimony and proceeding and acting as such; and Michael Werner having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 194, Copy of Letter, unsigned, to Michael Werner, of May 23, 1911; U. S. Ex. 195, Letter, L. R. Smith to Michael Werner, of May 27, 1911; U. S. Ex. 196, Letter, L. R. Smith to Michael Werner, of June 1, 1911; U. S. Ex. 197, Letter, L. R. Smith to Michael Werner, of June 3, 1911; U. S. Ex. 198, Letter, L. R. Smith to Michael Werner, of June 3, 1911; U. S. Ex. 199, [110] Letter, Michael Werner to Panama Development Co., of July 10, 1911; and U. S. Ex. 200, Letter, L. R. Smith to Michael Werner, of July 11, 1911; it is, at the hour of 4:38 o'clock P. M., ordered that this cause be, and the same hereby is continued until Friday, the 14th day of November, 1913, at 10:30 o'clock A. M., until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

[111]

Minutes of Trial—November 14, 1913.

At a stated term, to wit, the July Term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 14th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Michael Werner, a witness on behalf of the United States, having resumed the stand for further cross-examination, and having given his

testimony; and, in connection with the testimony of said witness, defendant having offered a letter, Michael Werner to Panama Development Company which is admitted in evidence as Defts. Ex. I; and Robert J. Nelson having been called and sworn as a witness on behalf of the United States, and having given his testimony; it is ordered that this cause be, and the same hereby is passed temporarily to enable the Court to receive a partial report of the U. S. Grand Jury, this cause to be again called for further trial immediately after the receiving of said Grand Jury report and the entry of the orders connected therewith and occasioned thereby. [112]

(Later in the morning.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause having again been called at this time for further trial before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assitant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being

present; and Robert J. Nelson, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and Harold W. Tuttle having been called and sworn as a witness on behalf of the United States and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a Note of Panama Development Co. *with* Howard Automobile Co., which is admitted in evidence as U. S. Ex. 201; and court, at the hour of 11:23 A. M., having taken a recess for 14 minutes; and now, at the hour of 11:37 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Harold W. Tuttle, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and Joseph A. Seepie, Charles F. Simpson, Louis P. Dunkley and Howard E. Reach having respectively been called and sworn as witnesses on behalf of the United States, and having given [113] their testimony; and, in connection with the testimony of said last-named witness, the Government having offered a Letter, of Nov. 22, 1911, from H. C. Schaertzer to Messrs. Pratt & Reach, which is admitted in evidence in its behalf as U. S. Ex. 202; it is, at the hour of 12:30 o'clock P. M., ordered that this cause be and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Howard E. Reach, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 203, a bundle of Land Agreements, numbered from 1 to 176 inclusive (except numbers 2, 77, 82 and 85, 86, 87, 88 and 89, not included); and U. S. Ex. 204, a bundle of powers of attorney; and Raymond Gray, a witness on behalf of the [114] United States, having been recalled for further examination, and having given his testimony; and

Joseph U. Van Buren having been called and sworn as a witness on behalf of the United States and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a Contract, of August 1, 1911, with Joseph U. Van Buren, which is admitted in evidence in its behalf as U. S. Ex. 205; and Raymond Gray, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and court, at the hour of 3:35 o'clock P. M., having taken a recess for 7 minutes; and now, at the hour of 3:42 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Raymond Gray, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the defendant having offered for identification a letter of July 30, 1911, to Panama Development Co., which is for identification marked Defts. Ex. J; and Paul A. Hauser having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 206, Letter of June 6, 1911, and envelope, addressed to Mr. Paul A. Hauser; U. S. Ex. 207, Letter of June 28, 1911, and envelope, addressed to Mr. Paul A. Hauser; and U. S. Ex. 208, Letter of Aug. 4, 1911, and envelope, addressed to Mr. Paul A.

Hauser; and the Court having given the jury the usual admonition; it is, at the hour of 4:30 o'clock, P. M., ordered that [115] this cause be, and the same hereby is continued until Tuesday, the 18th day of November, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [116]

Minutes of Trial—November 18, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Tuesday, the 18th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. attorney for the Southern District of California, appearing as counsel for the

United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Walter G. Reese and D. N. Willits having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and, in connection with the testimony of the last named witness, the Government having offered a letter, Panama Development Company to Willits, and envelope, of Sept. 6, 1911, which are admitted in evidence as U. S. Ex. 209; and Mrs. J. Kloninger having been called and sworn as a witness on behalf of the United States, and having given her testimony; and, in connection with the testimony of said witness, the Government having offered a receipt of Panama Development Co., dated Aug. 16, 1911, which is admitted in evidence in its behalf as U. S. Ex. 210; and Mrs. [117] J. F. Steele having been called and sworn as a witness on behalf of the United States, and having given her testimony; and court, at the hour of 11:44 o'clock A. M., having taken a recess for 7 minutes; and now, at the hour of 11:51 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and David B. Low having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 12:35 o'clock P. M., having

taken a recess until the hour of 2 o'clock P. M., of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and David B. Low, a witness on behalf of the United States, having resumed the stand for further examination and having given his testimony; and Walter A. Leach having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a letter, L. L. Maynard to W. A. Leach, of Aug. 7, 1911, which is admitted in evidence in its behalf as U. S. Ex. 211; and Wellington B. Wheeler having been called and sworn as a witness on behalf of the United States, and having given his testimony; it is, at the hour of 2:45 o'clock P. M., ordered that this cause be, and the same hereby is passed temporarily for further trial, to enable the Court to receive a partial report of the U. S. Grand Jury, this cause to be again called for further trial after the receipt of said report and the entry of the necessary orders connected therewith and occasioned thereby. [118]

(At 2:50 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on now, at the hour of 2:50 o'clock P. M., to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and the roll of the jury having been called and all being present; and Stefan Hladish having been called and sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 212, Letter Stefan Hladish to Panama Development Co., of June 23, 1911, U. S. Ex. 213, Letter, Panama Development Co. to Stefan Hladish, of June 26, 1911; U. S. Ex. 214, Letter, Panama Development Co. to Stefan Hladish, of June 16, 1911; U. S. Ex. 215, Letter, L. R. Smith to Stefan Hladish, of June 28, 1911; and U. S. Ex. 216, Letter, L. R. Smith to Stefan Hladish, of July 21, 1911; and court, at the hour of 3:50 o'clock P. M., having taken a recess for 8 minutes; and now, at the hour of 3:38 o'clock P. M., court having reconvened; and defendant, counsel and the shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and H. George Cooley, Archibald B. Cleaver, and Percy G. Soleberg having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; it is, at [119] the hour of

4:28 o'clock P. M., ordered that this cause be, and the same hereby is continued until Wednesday, the 19th day of November, A. D. 1913, at 10:30 o'clock A. M., for further trial until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [120]

Minutes of Trial—November 19, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Wednesday, the 19th day of November, in the year of our Lord one thousand nine hundred and and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; and defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; M. H. Conlee being present as short-

hand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Edmund Greene Loeve, John Edward Mitchell, S. H. Joppe and Thomas H. Silsbee having respectively been called and duly sworn as witnesses on behalf of the United States, and having given their testimony; and Court, at the hour of 11:38 o'clock A. M., having taken a recess for 8 minutes; and now, at the hour of 11:46 o'clock A. M., Court having reconvened; and defendant and counsel being present as before; I. Benjamin being present as shorthand reporter of the testimony and proceedings and acting as such; and the roll of the jury having been called and all being present; and Thomas H. Silsbee, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; it is, at the hour [121] of 11:31 o'clock A. M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial, until which time the jury are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; M. H. Conlee being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Thomas H. Silsbee, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and Chas. Melville Brown having been called and duly sworn as a witness on behalf of the United States, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a copy of "American Lumberman," for March 15, 1910, which is admitted in evidence as U. S. Ex. 217; and Court, at the hour of 3:35 o'clock P. M., having taken a recess for 5 minutes; and now, at the hour of 4:40 o'clock P. M., Court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Chas. Melville Brown, a witness on behalf of the United States, having resumed the stand [122] for further examination, and having given his testimony; and C. E. Webster having been called and duly sworn as a witness on behalf of the United States, and having given his testimony; it is, at the hour of 4:08 o'clock P. M., by the Court ordered that

this cause be, and the same hereby is continued for further trial until Thursday, the 20th day of November, 1913, at 10:30 o'clock A. M., until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [123]

Minutes of Trial—November 20, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 20th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,
vs.
JOHN GRANT LYMAN,
Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; M. H. Conlee being present as shorthand re-

porter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered a letter of July 18, 1911, L. R. Smith to Mr. E. D. Ryan, c/o Hernan de la Guardia, with copy of letter and list attached, which are admitted in evidence as U. S. Ex. 218; and Court, at the hour of 11:30 o'clock A. M., having taken a recess for 9 minutes; and now, at the hour of 11:39 o'clock A. M., Court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a [124] witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; it is, at the hour of 12:15 o'clock P. M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and Court, at the hour of 3:34 o'clock P. M., having taken a recess for 5 minutes; and now, at the hour of 3:39 o'clock P. M., Court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; it is, at the hour of 4:30 o'clock P. M., ordered that this cause be, and the same hereby is continued [125] until Friday, the 21st day of November, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [126]

Minutes of Trial—November 21, 1913.

At a stated term to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 21st day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

This cause coming on this day to be further tried before the court and a jury hertofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Hernan de la Guardia, a witness on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and the jury, at the hour of 10:40 o'clock

A. M., having been excused from the courtroom temporarily during the argument of a question of law; and said question of law having been argued by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States, and by Paul Schenck, Esq., of counsel for defendant; and the jury, at the hour of 10:48 o'clock A. M., having been recalled into court; and the roll of the jury having been called; and all being present; and Frank Burnett having been called and sworn as a witness on behalf of the United States, and [127] having given his testimony; and W. I. Madeira, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and court, at the hour of 11:32 o'clock A. M., having taken a recess for 12 minutes; and now, at the hour of 11:44 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and W. I. Madeira, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government offered the following exhibits, which are admitted in evidence in its behalf, to wit: U. S. Ex. 219, blank check on National Bank of California, of Los Angeles, of Panama Development Company by John Redpath, V. P., L. R. Smith, Sec.; and U. S. Ex. 220, blank check on security Savings Bank of Los Angeles, of Panama Development Co., by

John Redpath, Pres., E. A. Lyman, Asst. Sec.; and, also in connection with the testimony of said witness, the Government having offered for identification *and* following exhibit, which is for identification marked with the following exhibit number, to wit: U. S. Ex. 221, six letters, the first dated June 1, 1911, addressed: "My darling Jack"; it is, at the hour of 12:30 o'clock P. M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial, until which time the jury are excused. Defendant is remanded to the custody of the U. S. Marshal.

[128]

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings and acting as such; and the roll of the jury having been called, and all being present; and W. I. Madeira, a witness

on behalf of the United States, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered for identification fourteen letters and fourteen envelopes, the first envelope being postmarked on the back New Orleans Sept. 12, 1913, which are for identification marked U. S. Ex. 222; and Robert H. Morse and John A. Schaertner having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and certain records of the U. S. District Court for the Northern District of California having been identified by the last-named witness, and the substance thereof having been read into the record; and George H. Burnham having been called and sworn as a witness on behalf of the United States, and having given his testimony; and Maurice Joseph Fitzgerald having been called and sworn as a witness on behalf of the United States, and having given *their* testimony; and a telegram having been read into the record by Edward A. Regan, Esq., Special Assistant [129] to the U. S. Attorney for the Southern District of California, of counsel for the United States, on behalf of the Government, said telegram not being offered as an exhibit; and Court at the hour of 3:30 o'clock P. M., having taken a recess for 8 minutes; and now, at the hour of 3:38 o'clock P. M., Court having reconvened; and defendant and counsel being present as before; I. Benjamin and Edwin M. Williams being present as shorthand reporters and acting as such; and the roll of the

jury having been called, and all being present; and Edw. G. McDonnell and Louis P. Thonet having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; it is, at the hour of 4:30 o'clock P. M., by the Court ordered that this cause be, and the same hereby is continued until Tuesday, the 25th day of November, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [130]

Minutes of Trial—November 25, 1913.

At a stated term, to wit, the July term A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the court-room thereof, in the city of Los Angeles, on Tuesday, the 25th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special

Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Thomas H. Silsbee, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and the jury, at the hour of 10:44 o'clock A. M., having been excused from the courtroom temporarily during an argument of counsel; and a question of law having been argued by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and the jury, at the hour of 10:51 o'clock A. M., having been recalled into court; and the roll of the jury having been called, and all being present; and Paul J. Arnerich and Joseph F. Morley, having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and a certified copy of a commitment of John Grant [131] Lyman, by the District Court of the United States, for the Northern District of California, and also a certificate of the Warden of the U. S. Penitentiary at McNeil's Island, Washington, having been read into the record on behalf of the Government by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and counsel for the respective

parties having stipulated in open court that the first time the defendant herein was physically within this District after his indictment was March 30th, 1913; and C. E. Webster, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and Charles K. Clark having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 11:33 o'clock A. M., having taken a recess for 10 minutes; and now, at the hour of 11:43 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Chas. K. Clark having been called and sworn as a witness on behalf of the United States, and having given his testimony; and court, at the hour of 11:33 o'clock A. M., having taken a recess for 10 minutes; and now at the hour of 11:43 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Chas. K. Clark, a witness on behalf of the United States, being on the stand for further examination, and having given his testimony; and C. E. Webster, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and John Miller Colan having been called and sworn as a witness on behalf of the United States, and having given his testimony; and the substance of two papers, to wit, a deed and a mortgage, which were identified by

said witness, having been read to the jury by [132] Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and Raymond Gray, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and court, at the hour of 12:32 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M., of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States, having read into the record on behalf of the Government certain portions of Register of Actions of this Court; it is, at the hour of 2:07 o'clock P. M., by the Court ordered that this cause be, and the same hereby is passed temporarily for further trial, to enable the court to receive a partial report of the U. S. Grand Jury, this cause to be called again for further trial after the receipt of said report and the entry of the orders connected therewith or occasioned thereby.

(At 2:11 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,	Plaintiffs,
vs.	
JOHN GRANT LYMAN,	Defendant.

This cause having now, at the hour of 2:11 o'clock P. M., been again called for further trial before the court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant [133] being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Mrs. Ida Marie McDonald having been called and sworn as a witness on behalf of the United States, and having given her testimony; and John Redpath, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and Ervin Dingle and A. C. Sittel having respectively been called and sworn as witnesses on behalf of the United States, and having given their testimony; and a certain letter from the Department of Justice having been read into the record on behalf of the Government by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and the jury, at the hour of 3:25 o'clock P. M., having been excused until Wednesday, the 26th day of November, 1913, at 10:30 o'clock A. M., it is, at the hour of 3:30 o'clock P. M., ordered that this cause be, and the same hereby is continued until Wednesday, the 26th day of November, 1913, at 10:30 o'clock A. M. [134]

Minutes of Trial—November 26, 1913

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the court room thereof, in the city of Los Angeles, on Wednesday, the 26th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Raymond Gray, a witness on behalf of the United States, having been recalled for further examination, and having given his testimony; and the Government having rested, reserving, however, the

right hereafter to call one additional witness as a part of its direct case; and Paul Schenck, Esq., of counsel for defendant, having, on behalf of said defendant, read U. S. Ex. 165, pamphlet entitled "Am I Insane?" to the jury; and court, at the hour of 11:32 o'clock A. M., having taken a recess for 8 minutes; and now, at the hour of 11:40 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Paul Schenck, Esq., of counsel [135] for defendant, having continued the reading on behalf of said defendant, of U. S. Ex. 165, pamphlet entitled "Am I Insane?" to the jury; it is, at the hour of 12:17 o'clock P. M., by the Court ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern

District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant having been called and sworn as a witness in his own behalf, and having given his testimony; and court, at the hour of 2:20 o'clock P. M., having taken a recess for 12 minutes; and now, at the hour of 2:32 o'clock P. M., *court at the hour of 2:32 o'clock P. M.*, court having reconvened; and defendant, counsel and the shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and court, at the hour of 3:35 o'clock P. M., having taken a recess for 5 minutes; and now, at the hour of 3:40 o'clock P. M., court having reconvened; and defendant, counsel and shorthand [136] reporter being present as before; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the defendant having offered the following exhibits, which are admitted in evidence in his behalf, to wit: Defts. Ex. "K," Carbon copy of letter, J. G. Lyman to Dr. Albert Hale, dated Apr. 21, 1911; Defts. Ex.

“L,” Letter of Dr. Albert Hale to J. G. Lyman, dated April 27, 1911; Defts. Ex. “M,” Carbon copy of Letter, Dr. Lyman to Dr. Hale, dated Apr. 24, 1911; and Defts. Ex. “N,” Carbon copy of Letter, Dr. Lyman to Dr. Hale, dated May 2, 1911; it is, at the hour of 4:32 o’clock P. M., ordered that this cause be, and the same hereby is continued for further trial until Friday, the 28th day of November, 1913, at 10:30 o’clock A. M., until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [137]

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 28th day of November, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

Minutes of Trial—November 28, 1913.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assist-

ant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the defendant having offered the following exhibits, which are admitted in evidence in his behalf, to wit: Defts. Ex. "O," Letter, Dr. Hale to Dr. Lyman, of May 9, 1911; Defts. Ex. "P," Carbon copy letter, Dr. Lyman to Dr. Hale, of May 15, 1911; Defts. Ex. "Q," Letter, Dr. Hale to Dr. Lyman, of May 27, 1911; Defts. Ex. "R," carbon letter, Dr. Lyman to Dr. Hale of Aug. 4, 1911; Defts. Ex. "S," carbon copy of letter, Dr. Lyman to Dr. Hale, of July 19, 1911; Defts. Ex. "T," carbon copy of letter, Dr. Lyman to Dr. Hale, of June 5, 1911; Defts. Ex. "U," Letter, Dr. Hale to Dr. Lyman, of June 13, 1911; and Defts. Ex. [138] "V," Letter, Dr. Hale to Dr. Lyman, of July 12, 1911; it is, at the hour of 11:58 o'clock A. M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock, P. M., of this day for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., Edwin M. Williams being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and Paul Schenck, Esq., of counsel for defendant, having read into the record, on behalf of defendant, excerpts from bulletins of the Pan-American Union and a book by Forbes Lindsay; and the jury, at the hour of 2:50 o'clock P. M., having been excused from the court room temporarily during an argument of counsel; and a point of law having been argued, on behalf of the Government, by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel

for the United States, and on behalf of defendant by Paul Schenck, Esq., of counsel for defendant; and the jury, at the hour of 3:06 o'clock P. M., [139] having been recalled into court; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, being on the stand; and Paul Schenck, Esq., of counsel for defendant, having continued the reading into the record, on behalf of defendant, of said bulletins of the Pan-American Union and book by Forbes Lindsay; and court, at the hour of 3:30 o'clock P. M., having taken a recess for 5 minutes; and now, at the hour of 3:35 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, being on the stand for further examination, and having given his testimony; it is, at the hour of 4:32 o'clock P. M., ordered that this cause be, and the same hereby is continued until Tuesday, the 2d day of December, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. [140]

Minutes of Trial—December 2, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Tuesday, the 2d day of December, in the year of

our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having heretofore been called, in connection with the roll-call of the Term Trial Jury, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination; Paul Schenck, Esq., of counsel for defendant having made a statement to the court and having requested an investigation of certain articles appearing in the public press relating to this case; and statements concerning said matter having been made by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and further statements having

been made concerning the same by Paul Schenck, Esq., of counsel for defendant, by the Court, and by Edward A. Regan, [141] Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; the Court thereupon admonishes the jury to disregard all newspaper articles concerning this cause; and the jury, at the hour of 11:08 o'clock A. M., having been excused from the courtroom temporarily; and further statements concerning said newspaper articles having been made to the Court in the absence of the jury by counsel for the Government and by counsel for defendant; and the jury, at the hour of 11:13 o'clock A. M., having been recalled into court; and the roll of the jury having been called and all being present; and the Court having given the jury the usual admonition, and having, in addition, admonished the jury not to talk about events occurring in the courtroom; it is, at the hour of 11:15 o'clock A. M., ordered that this cause be, and the same hereby is continued until Wednesday, the 3d day of December, 1913, at 10:30 o'clock A. M., until which time the jurors are excused. [142]

Minutes of Trial—December 3, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Wednesday, the 3d day of December, in the year

of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, and all being present; and Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States, having made a statement as to a certain newspaper article concerning this case, and statements regarding the same having also been made by the Court and by Paul S. Schenck, Esq., of counsel for defendant; and the Court having made a further statement concerning the same, and having admonished the jury to disregard and dismiss from consideration all newspaper articles regarding this trial; and John Grant Lyman, the defendant, a witness in his behalf, having re-

sumed the stand for further examination, and having given his testimony; and, in connection with the testimony [143] of said witness, defendant having offered two letters, which are together admitted in evidence in his behalf, as Defts. Ex. "J," to wit: Letter of July 30, 1911, J. R. Thomas to Panama Development Company and letter of Aug. 26, 1911, Panama Development Company to J. R. Thomas; it is, at the hour of 11:58 o'clock A. M., ordered that this cause be, and the same hereby is continued until the hour of 2 o'clock P. M., of this day for further trial until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., Monroe H. Conlee being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called,

and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, defendant having offered four letters, from Dr. Lyman to Mr. C. Quelquejeu and from Mr. Quelquejeu to Dr. Lyman, of dates from Apr. 17, 1911, to June 1, 1911, which are together admitted in evidence in his behalf as Defts. Ex. "W"; and court, at the hour of 3:35 o'clock P. M., having taken a recess for 10 minutes; and now, at the hour of 3:45 o'clock [144] P. M. court having reconvened; and defendant, counsel and shorthand reporter being present as before, and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, being on the stand for further examination, and having given his testimony; it is, at the hour of 4:30 o'clock P. M., ordered that this cause be, and the same hereby is continued for further trial until Thursday, the 4th day of December, 1913, at 10:30 o'clock A. M., until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [145]

Minutes of Trial—December 4, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 4th day of December, in the year

of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin and Monroe H. Conlee, being present as shorthand reporters of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, being on the stand for further examination, and having given his testimony; and, in connection with the testimony of said witness, the Government having offered for identification the following exhibit numbers, to wit: U. S. Ex. 223, Letter, Panama Development Co. to Chown, Ussharex, London, Representative sailing September; and U. S. Ex. 224, Letter, Panama Development Co. to Geo. S. Smith, Dalby-Welch Co., of June 6, 1911; and, also in con-

nection with said testimony, the Government having offered the following exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 225, Letter, Geo. S. Smith, Dalby-Welch Co., to Panama Development Co., of July 13, 1911; and, also in connection with said testimony, the Government having offered for identification [146] a letter, Panama Development Co. to Geo. S. Smith, Dalby-Welch Co., of Aug. 15, 1911, which is given the following exhibit number, to wit: U. S. Ex. 226 for identification; and court, at the hour of 11:35 o'clock A. M., having taken a recess for 12 minutes; and now, at the hour of 11:47 o'clock A. M., court having reconvened; and defendant, counsel and shorthand reporters being present as before; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; it is, at the hour of 12:13 o'clock P. M., ordered that this cause be, and the same hereby is continued for further trial until the hour of 2 o'clock P. M., of this day, until which time the jurors are excused.

(At 2 P. M.)

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on at this time to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin and Monroe H. Conlee being present as shorthand reporters of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and John Grant Lyman, the defendant, a witness in his own behalf, having resumed the stand for further examination, and having given his testimony; and, in connection with the testimony of [147] said witness, the Government having offered an exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 162, Telegram of Sept. 4, 1911, without signature, to Geo. M. Byrd; and, also in connection with said testimony, defendant having offered a blank form of transfer of stock, which is admitted in evidence in his behalf as Defts. Ex. "X"; and defendant having rested, reserving, however, the privilege of calling one other witness; and Charles S. Sprague having been called and sworn as a witness on behalf of the United States in rebuttal, and having given his testimony; and Milton M. Detch having been called and sworn as a witness on behalf of the United States in rebuttal, but having given no testimony at this time; and court, at the hour of 3:35 P. M., having taken a recess for 5 minutes; and now, at the hour of 3:40 o'clock P. M., court having reconvened; and defendant, counsel and shorthand report-

ers being present as before; and the roll of the jury having been called, and all being present; and Milton M. Detch, a witness heretofore sworn on behalf of the United States, having resumed the stand and having now given his testimony in rebuttal on behalf of the United States; and Mrs. James M. Cholwell and Anthony Macauley having been called and sworn as witnesses on behalf of the United States in rebuttal, and having given their testimony; it is, at the hour of 4:28 o'clock A. M., ordered that this cause be, and the same hereby is continued until Friday, the 5th day of December, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. Defendant is remanded to the custody of the U. S. Marshal. [148]

Minutes of Trial—December 5, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Friday, the 5th day of December, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impanelled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; and defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and Leta Hubb, a witness heretofore sworn herein, having been called as a witness on behalf of the United States in rebuttal, and having given her testimony; and, in connection with the testimony of said witness, the Government having offered an exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 223, heretofore offered and marked for identification, being a Letter, Panama Development Company to Chown, Ussharex, London, Representative sailing September; and M. J. Moore having been called and sworn as a witness on behalf of the United States in rebuttal, and having given his testimony; and J. Miller Colan, a witness heretofore sworn herein, having been called as a witness on behalf of the United States in rebuttal, [149] and having given his testimony; and John Grant Lyman, the defendant, heretofore sworn as a witness in his own behalf, having been called for further cross-examination, and having given his testimony; and Mrs. I. M. McDonald, heretofore sworn as a witness on behalf of the United

States in rebuttal, and having given her testimony; and Lou Blakeslee having been called and sworn as a witness on behalf of the United States in rebuttal, and having given his testimony; and Edward F. Dishman having been called and sworn as a witness on behalf of the United States in rebuttal, and having given his testimony; and Mrs. I. M. McDonald, a witness on behalf of the United States in rebuttal, having been recalled for further examination, and having given her testimony; and, in connection with the testimony of said witness, the Government having offered an exhibit, which is admitted in evidence in its behalf, to wit: U. S. Ex. 226, Letter, Panama Development Company to Geo. S. Smith, Dalby-Welch Co., of Aug. 15, 1911; and Eugene Duke Ryan having been called and sworn as a witness on behalf of the United States to testify as a part of the Government's case in chief, pursuant to the reservation heretofore made by the Government in that behalf, and said witness having given his testimony; and court, at the hour of 12:03 o'clock P. M., having taken a recess until the hour of 2 o'clock P. M., of this day;

And now, at the hour of 2 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and Paul Schenck, Esq., of counsel for defendant, having stated to the Court, that defendant desires to secure the attendance herein, as a witness in his behalf, of Edward G. Edmunds, a Federal prisoner now confined in the Los Angeles County Jail, it is by

the Court ordered that the U. S. Marshal produce said Edward G. Edmunds herein forthwith, said Edmunds to be in the custody of said Marshal and returned to the [150] Los Angeles County Jail by said Marshal after being discharged as a witness herein; and Eugene Duke Ryan, a witness on behalf of the United States as part of the Government's case in chief, having resumed the stand for further examination, and having given his testimony; and Edward G. Edmunds, a Federal prisoner now confined in the Los Angeles County Jail under sentence of this Court, who is now present in court in custody of the U. S. Marshal, having been called and sworn as a witness on behalf of defendant, and having given his testimony; and said Edward G. Edmunds having thereupon been remanded to the custody of the U. S. Marshal, to be forthwith by said Marshal returned to the custody of the jailer of the County Jail of Los Angeles County, California; and Joseph F. Morley, a witness heretofore sworn herein, having been called as a witness on behalf of the United States in rebuttal, and having given his testimony; and Frederick Charles Jordon having been called and sworn as a witness on behalf of the United States in rebuttal, and having given his testimony; and Leta Hubb, a witness on behalf of the United States in rebuttal, having been recalled for further cross-examination, and having given her testimony; and the Government having rested, reserving, however, the right of calling an additional witness; and John Grant Lyman, the defendant, heretofore sworn as a witness herein, having been called as a witness

in his own behalf, in surrebuttal, and having given his testimony; and defendant having rested, reserving, however, the right to call an additional witness; and the Court having given the jury the usual admonition; it is, at the hour of 3:35 o'clock P. M., ordered that this cause be, and the same hereby is continued until Tuesday, the 9th day of December, 1913, at 10:30 o'clock A. M., for further trial and proceedings. [151]

Minutes of Trial—December 9, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held in the courtroom thereof, in the city of Los Angeles, on Tuesday, the 9th day of December, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody

of the U. S. Marshal, with his counsel, Paul Schenck, Esq., I. Benjamin being present as shorthand reporter of the testimony and proceedings; and the roll of the jury having been called, in connection with the call of the roll of the entire panel of term trial jurors, and all being present; and Bernard McConville having been called and sworn as a witness on behalf of the Government in rebuttal, and having given his testimony; and the defendant having offered an exhibit, which is admitted in evidence in his behalf, to wit: Defts. Ex. "Y," shorthand notebook; and the Government having rested; and the testimony being closed; and said cause having been argued to the jury by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and court, at the hour of 11:30 o'clock A. M., having taken a recess for 9 minutes; and now, at the hour of 11:39 o'clock A. M. [152] court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and said cause having been further argued to the jury by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and court, at the hour of 12:20 o'clock P. M., having taken a recess until the hour of 1:20 o'clock P. M., of this day;

And court, at the hour of 1:20 o'clock P. M., having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present;

and said cause having been further argued to the jury by Paul Schenck, Esq., of counsel for defendant; and court, at the hour of 2:43 o'clock P. M., having taken a recess for 7 minutes; and now, at the hour of 2:50 o'clock P. M., court having reconvened; and defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and said cause having been further argued to the jury in reply by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, of counsel for the United States; and the argument being closed; and the court having given the jury the usual admonition; it is, at the hour of 3:10 o'clock P. M., ordered that this cause be, and the same hereby is continued until Wednesday, the 10th day of December, 1913, at 10:30 o'clock A. M., for further trial, until which time the jurors are excused. [153]

Minutes of Trial—December 10, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Wednesday, the 10th day of December, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause coming on this day to be further tried before the Court and a jury heretofore duly impaneled herein; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq.; I. Benjamin being present as shorthand reporter of the testimony and proceedings, and acting as such; and the roll of the jury having been called, and all being present; and the Court having read to the jury its written instructions; and the Court having refused to give the instructions requested by the Government, and also the instructions requested by the defendant, except in so far as they may be embodied in the instructions given by the Court; it is ordered that exceptions be, and they hereby are noted herein, on behalf of defendant, to each and every of the instructions given by the Court, and to the refusal of the Court to give each and every of the instructions requested by the defendant which [154] the Court refused to give; and the jury, at the hour of 10:45 o'clock A. M., having retired to consider their verdict; now, at the hour of 12:15 o'clock P. M.,

the jury having been brought into court; defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and the jury having been asked if they have agreed upon a verdict, and having replied that they have not so agreed; it is ordered that the U. S. Marshal take the jury to some suitable place for their dinner, said dinner, for the jurors and the accompanying officers, to be at the expense of the United States, and that said Marshal thereafter return the jurors to their room for further deliberation concerning their verdict; and, at the hour of 12:18 o'clock P. M., the jury having retired in company with the U. S. Marshal; and the jury, at the hour of 5:11 o'clock P. M., having come into court; defendant, counsel and shorthand reporter being present as before; and the roll of the jury having been called, and all being present; and the jury having asked the Court for certain additional instructions; and the jury, at the hour of 5:14 o'clock P. M., having retired to their room; and the Court having invited a discussion by counsel as to the desired additional instructions; and the matter of said additional instructions having been argued by Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, and by Paul Schenck, Esq., of counsel for defendant; and the jury, at the hour of 6:37 o'clock P. M., having come into court; and the roll of the jury having been called, and all being present and defendant and counsel being present as before; and Edwin M. Williams being present as shorthand reporter of the

proceedings, and acting as such; and the Court having read to the jury further instructions; it is ordered that exceptions be, and they hereby are noted herein on behalf of the defendant to the further instructions now given by the Court; and the jury, at the hour of 6:41 o'clock P. M., [155] having retired to consider their verdict; and the jury, at the hour of 7:47 o'clock P. M., having come into court; and defendant and counsel being present as before; I. Benjamin being present as shorthand reporter of the proceedings herein, and acting as such; and the roll of the jury having been called, and all being present; it is now by the Court ordered that the U. S. Marshal take the jurors to some suitable place for their supper, said supper, for the jurors and the accompanying officers, to be at the expense of the United States, and that said Marshal thereafter return the jury to their room for further consideration of their verdict; and it is further ordered that, on the morning of Thursday, the 11th day of December, 1913, at such time as the jurors desire, the U. S. Marshal take the jurors to some suitable place for their breakfast, said breakfast, for the jurors and the accompanying officers, to be at the expense of the United States, and that said Marshal thereafter return the jurors to their room for further consideration concerning their verdict; thereupon, at the hour of 7:49 o'clock P. M., the jury retire to their room. [156]

Minutes of Trial—December 11, 1913.

At a stated term, to wit, the July term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof, in the city of Los Angeles, on Thursday, the 11th day of December, in the year of our Lord one thousand nine hundred and thirteen. Present: The Honorable OLIN WELLBORN, District Judge.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

The jury herein, at the hour of 10:09 o'clock A. M., having come into court; Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present, in custody of the U. S. Marshal, with his counsel, Paul Schenck, Esq., I. Benjamin being present as shorthand reporter of the proceedings; and the roll of the jury having been called, and all being present; and the jurors having been asked if they have agreed upon a verdict, and having by their foreman replied that they have so agreed, and having been required to state their verdict, and their verdict having been read by the foreman; now, by direction of the Court,

said verdict is filed and recorded by the clerk, said verdict being as follows, and the following being the record thereof, to wit:

*In the District Court of the United States, for the
Southern District of California, Southern Division.*

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

We, the jury in the above-entitled cause, find the defendant, John Grant Lyman, guilty as charged in the first count of [157] the indictment, and not guilty as charged in the second, third, fourth, fifth and sixth counts of the indictment.

Los, Angeles, Cal., Dec. 11th, 1913.

S. M. GODDARD,
Foreman.

And said verdict having been read to the jury as so recorded, and the jurors having said that it is their verdict; it is now by the Court ordered that said jurors be, and they hereby are excused until Tuesday, the 16th day of December, 1913, at 10:30 o'clock A. M., except jurors Dan. J. Brownstein and Wilton B. Simmons, who, at their own request are excused for the term; thereupon, on motion of Paul Schenck, Esq., of counsel for defendant, it is ordered that this cause be, and the same hereby is continued until two

weeks from next Monday, to wit, until Monday, the 29th day of December, 1913, at 10:30 o'clock A. M., for the sentence of defendant; and it is further ordered, on motion of Edward A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, that, pending sentence, the bail of defendant be, and the same hereby is increased by \$5,000.00. Defendant is remanded to the custody of the U. S. Marshal. [158]

Instructions to the Jury Requested by Plaintiff.

Section 215, Appeal Code of 1910, contemplated any scheme involving matters of enforceable or unenforceable contract, representation of facts, expression of opinions, or assurances of past, present, or future conditions, provided only it was designed and reasonably adapted to deceive or defraud. The most successful schemes to defraud are those dressed in the garb of honesty, and hedged about with all the appearances of legal and enforceable undertakings. If the intent and purpose is to deceive and defraud the unwary, it matters not what form the project is made to take.

The scheme and artifice charged against the defendant is that he would organize and control a corporation called the Panama Development Company, and would falsely represent that it had a paid-up capital of \$50,000; and that it was the agent of the Government of Panama for the purpose of selling Panamanian Government lands, situated in certain Provinces of Panama; that some of the officers and directors of said corporation were men of prominence in Panama, and connected with the Govern-

ment of Panama, and that the remaining directors were men of prominence elsewhere; that the corporation, as agent for the Panama Government, offered for sale Government lands consisting of agricultural, timber and mineral lands, situated in the District of Cocle, Verauga and Chiriqui, Republic of Panama, to persons making application for the purchase of same to the said corporation, on the payment of \$2.50 an acre down, and the balance of \$2.50 within four years; and that when the Panama Development Company received these applications, and the receipt of one-half the purchase price, the Panama Development Company would immediately have the said application filed with the Panamanian Government, through its representatives in the Republic of Panama, [159] and then the Panama Government would make the allotment of land as designated in the application, and would issue a Provisional Title to the applicant, and would upon the completion of payments issue a full and complete title to the land to the said applicant.

It is charged further that the defendant, acting through the Panama Development Company, represented that the company had experts in the Republic of Panama who were familiar with the location and character of the Government lands, and they could therefore select better lands for the applicants than they could themselves; and that the Panama Development Company could and would furnish maps showing the location of the Government land which the company was offering for sale; and that the Panama Development Company was clearing and cul-

tivating some of the Government land which it had theretofore sold, and it would continue to clear and cultivate lands sold to purchasers; that the Panama Development has sold 10,000 acres to an American colony, and offered for sale and would sell Government lands situated in the District of Agua Dulce upon application being made therefor.

It is charged further that the defendant, through the said Panama Development Company, represented that a railroad was being built from the city of Panama to the city of David; represented further that the Panama Development Company had for sale 16,000 acres of Government timber land in *Verauga*; and represented further that on August 1st the price of Government land would be increased from \$5.00 to \$6.00 per acre; and that at any time within two years any persons purchasing any land from the Panama Development Company could, if dissatisfied, have their money returned upon [160] demand, and that these representations were false.

If you are satisfied beyond a reasonable doubt from the testimony in this case that the defendant made, or caused to be made, one, or more, or in substance, the false representations charged in the indictment, and that such false representations were so made in pursuance of a scheme or artifice to defraud, previously devised by the defendant; and that in, and for the purpose of executing such scheme or artifice, the defendant deposited, or caused to be deposited, in the Postoffice of the United States, the several letters described in the different counts of the indictment, you will find the defendant guilty as charged.

The question you have to consider is whether the defendant planned, or intended, or tried to plan, a method by which he could use the mails in inducing people to communicate with the Panama Development Company, or come into communication with it, or to get in touch with people so these people would be deceived, or misled into paying, or sending their money, or transferring their property to the Panama Development Company, under ideas not justified by the facts as they actually existed.

McCarty vs. United States, 187 Fed. 117.

Durland vs. United States, 161 U. S. 306.

The scheme charged against the defendant depends to a [161] large extent upon whether or not defendant caused the Panama Development Company to represent itself as the agent of the Republic of Panama for the sale of government lands. Evidence has been introduced to the effect that this representation was made, and was false. The defendant denies that he caused such a representation to be made. If you believe beyond a reasonable doubt that this representation was made, and that the defendant caused it or was instrumental in causing it to be made, and that in addition thereto he caused the false representations alleged in the indictment to be substantially made for the purpose of convincing people and causing them to believe that the Panama Development Co. was the agent of the Panamanian Government for the sale of the government lands described, you must find the defendant guilty as charged.

It is not necessary that in using the mails for the

furtherance of a scheme to defraud, that the defendant personally deposit any of the letters in the mail. It is sufficient if in the ordinary course of business he caused the letters to be deposited in the mails. Evidence has been introduced, and not contradicted, that the letter written to Werner, set forth in Count 5 of the indictment, was dictated by the defendant, and if you believe this to be true beyond reasonable doubt, and believe further that he caused this letter to be deposited in the United States mails, then you must find the defendant guilty as charged in Count 5 of the indictment.

[Endorsed]: No. 672—Crim. U. S. District Court, Southern District of California, Southern Division. United States vs. John Grant Lyman. Plaintiff's Instructions Refused. Filed Dec. 10, 1913. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [162]

Instructions to the Jury Requested by Defendant.

In criminal cases where a chain of circumstances is relied upon to secure a conviction and any one necessary link of that chain is made by a circumstance which, when considered in the light of all the circumstances proved, is as consistent with innocence as it is with guilt, the said circumstance must be resolved in favor of innocence; that link must fail; the chain must break and the defendant must be acquitted.

Requested by defendant and ———.

—————, Judge.

You are instructed that you must not suffer yourselves to be prejudiced against the defendant because

of the fact that he is charged with this offense, and you must not suffer yourselves to be led to convict the defendant for fear that a crime may go unavenged, or for the purpose of deterring others from the commission of like offenses.

No such argument or reason can be weighty enough to justify you in laying aside or ignoring that just and most humane rule of law which says that you must acquit the defendant unless every fact necessary to establish his guilt has been proven to you beyond a reasonable doubt.

Requested by defendant and ———.

—————, Judge. [163]

In considering the weight and effect to be given to the evidence of the defendant, while you may consider his manner, and the probability of his statements, taken in connection with all the evidence in the case, and, if convincing and carrying with it a belief in its truth, act upon it; if not, you have the right to reject it. But this does not mean that you have the right to arbitrarily reject it. And, in judging of the defendant who has testified before you, you are in duty bound to presume that he has spoken the truth; and, unless that presumption has been legally repelled, his evidence is entitled to full credit.

Requested by defendant and ———.

—————, Judge.

It is not your duty to look for some theory upon which to convict the defendant, but on the contrary, it is your duty and the law requires you, if you can reasonably do so, to reconcile any and all facts and circumstances that have been shown, with the inno-

cence of the defendant and acquit him.

Requested by defendant and ——.

———, Judge.

Evidence has been given in this case touching the escape and attempted escape of the defendant from the custody of the law.

Such evidence is given before you as tending in some degree to indicate a consciousness of guilt on the part of the defendant, but I caution you that such evidence is considered, [164] in law, of the weakest kind, and, being based upon an inference, may or may not tend to show a consciousness of guilt, and taken in consideration with other evidence in the case, may or may not be of any import.

Requested by defendant and ——.

———, Judge.

You are instructed that for a person to escape from the custody of the law, or to attempt so to do, or to take flight instead of standing trial, is not sufficient, standing alone, to warrant or justify a conviction.

Such evidence is adduced upon the theory that from it may be drawn an inference of a consciousness of wrongdoing, but such inference may be wholly repelled by other facts and circumstances in the case, or by some satisfactory explanation of the reason prompting such action, and of all these matters the jurors are the sole judges.

Requested by defendant and ——.

———, Judge.

The Court instructs you, that if any of the representations alleged in the indictment to have been made were false, but the defendant honestly believed

them to be true, then such representations were not fraudulent.

Requested by defendant and ———.

—————, Judge.

You are further instructed that if the alleged representations or some of them were not intentionally false, the fact that the alleged scheme failed because of mistakes or lack of judgment, if such caused its failure, does not make the defendant guilty.

You should not find the defendant guilty for mere errors of judgment or overconfidence in his ability to make the alleged scheme a success.

Requested by defendant and ———.

—————, Judge. [165]

You are instructed that the defendant, John Grant Lyman, in this case is not to be charged with or held criminally responsible for the act or acts of any person connected with the Panama Development Company unless you believe from the evidence, beyond a reasonable doubt, that the said John Grant Lyman counseled, aided, encouraged or otherwise, with a knowledge of the facts, caused such act to be done or omitted.

Requested by defendant and ———.

—————, Judge.

You are instructed that the defendant in this case is not to be presumed to know anything because he ought to have known it. The presumption of innocence with which the law clothes the defendant is sufficient to overcome a presumption which might

prevail in a civil case that he knew because he ought to have known.

Requested by defendant and ———.

—————, Judge.

The indictment in this case contains six counts, all of which are substantially the same, except in so far as a different letter is set forth in each count as being the letter which was deposited in the postoffice in furtherance of the alleged scheme. [166]

You must not suffer yourselves to hold the defendant responsible for the depositing of any such letter in the postoffice unless, from all the evidence, you believe beyond a reasonable doubt, that he either did deposit such letter, or caused the same to be deposited as it is charged in the indictment, and if you have a reasonable doubt whether the defendant did or did not deposit, or cause to be deposited any one of the several letters set forth in the indictment, then, as to that particular count or counts, you must acquit the defendant.

Requested by defendant and ———.

—————, Judge.

You are instructed that the various counts of the indictment in this case charge substantially the same offense, the only difference being that each count sets forth a different letter as having been deposited in the mails.

The essential elements of this offense are the devising or intention to devise a scheme or device for the perpetration of a fraud, and the use of the United States mails in furtherance of such scheme or device, and this is the only offense which is before you for

your consideration, and in considering the same you have only the right to consider such evidence as has been permitted to come before you in the courtroom.

Requested by defendant and ———.

—————, Judge. [167]

If, after the entire comparison and consideration of all the evidence, it leaves you in that condition that you cannot say you feel an abiding conviction, to a moral certainty, of the truth of the charge, you must acquit the defendant. The burden of proof is upon the prosecution. All the presumptions of law independent of evidence are in favor of innocence; and every person is presumed innocent until he is proved guilty. If upon such proof there is reasonable doubt remaining, the accused is entitled to the benefit of it by acquittal. For it is not sufficient to establish a probability, though a strong one arising from the doctrine of chances, that the fact charged is more likely to be true than the contrary, but the evidence must establish the truth of the fact to a reasonable and moral certainty; a certainty that convinces and directs the understanding, and satisfies the reason and judgment, of those who are bound to act conscientiously upon it.

Requested by defendant and ———.

—————, Judge.

You are instructed that by the words "intent to defraud" it is meant in law that the person charged had an intent to deprive one of something dishonestly or to obtain an unconscionable advantage, therefore if you have a reasonable doubt whether this defendant had such intentions or not you must give him

the benefit of such doubt and acquit him.

Requested by defendant and ———.

—————, Judge. [168]

You are instructed that this defendant is charged with an offense which has for one of its component parts and essential elements a certain specific intent, to wit, an intent to defraud. In such a case the law raises no presumption from the commission of the act that it was committed with that certain specific intent. Whether it was committed at all or not, and if committed, whether it was committed with that certain specific intent or not, are matters to be determined by you from all the evidence in the case.

Requested by defendant and ———.

—————, Judge.

You are instructed that in law there is a marked distinction between an intention to deceive and an intention to defraud and in this case although you may be convinced that the defendant intended to deceive you must acquit him if you have a reasonable doubt whether he intended to defraud or not.

Requested by defendant and ———.

—————, Judge. [169]

You are instructed that where the law makes an act criminal only when done with a certain specific intent, such as an intent to defraud, then it becomes necessary for the prosecution to prove to you beyond a reasonable doubt that the defendant committed the act, if at all, with that specific intent. In arriving at your conclusion as to this intent you are to take into consideration all the facts and circumstances connected with the case such as the presumption of

the innocence of the defendant, his good character if proved, his acts and conduct in and concerning the matter and the possibility or impossibility of a consummation of such intent by the means and methods used as charged in the information.

Requested by the defendant and ———.

—————, Judge.

If, from the evidence, you believe the crime charged was in fact committed by someone, and you, from the evidence have a reasonable doubt whether it was the defendant or someone else who committed it, you must acquit the defendant.

Requested by defendant and ———.

—————, Judge.

You are instructed that testimony by one person as to what another person said ought to be viewed with caution.

Requested by defendant and ———.

—————, Judge. [170]

With respect to all verbal admissions, declarations or conversations, evidence of them should be received with great caution, consisting as it does in the repetition of oral statements it is subject to much imperfection and mistake; the party himself being misinformed, or not having expressed his own meaning, or the witness having misunderstood him, or from the infirmity of human memory. It frequently happens also that the witness unintentionally altering a few of the expressions really used, gives an effect to the statement completely at variance with what the party actually did say. And especially where the witness has not heard all the admissions, declara-

tions or conversations, and testifies as to only parts of them, should caution be exercised. It then becomes very unsatisfactory and imperfect evidence—the lowest grade of evidence. And our statute provides: “That the evidence of the oral admissions of a party ought to be viewed with caution.”

Requested by defendant and ———.

—————, Judge.

You are instructed that the defendant in this case is charged with “knowingly” doing a certain thing, and you are further instructed that, in law, whenever the word “knowingly” is used in connection with the definition of any prohibited act or omission, it means that the person sought to be charged with the offense, at the time it is alleged to have been committed, was actually possessed of and actually had knowledge of the existence of facts which brought this act or omission within the law prohibiting such act or omission.

Requested by defendant and ———.

—————, Judge. [171]

In every crime or offense there must exist a union or joint operation of act and intent, or criminal negligence. The law does not hold a man responsible criminally for an act done without guilty intention, no matter what that act may be. So in this case the law will not hold the defendant criminally responsible for the act charged, unless at the time he committed that act, he had a guilty intention to commit it. If you have a reasonable doubt whether he did

have such guilty intention, you must acquit him.

Requested by defendant and ———.

—————, Judge.

You are instructed that the defendant is by law presumed to be a man of good character in the absence of any evidence to the contrary. Such presumption of good character, coming as it does in aid of the general presumption of innocence is no more to be left out of a view by the jury in their deliberations than is the original presumption of innocence which the law gives him.

The good character of the defendant which the law presumes, is itself a fact in the case. It is a circumstance tending in a greater or less degree to establish defendant's innocence; and it is not to be put aside by the jury in order to ascertain if the other facts and circumstances considered by themselves do not establish his guilt beyond a reasonable doubt, but his good character must be considered by you in determining whether or not the defendant is guilty. And after considering such presumptions of good character, together with all the [172] evidence if the jury entertain a reasonable doubt as to the guilt of the defendant, you must give him the benefit of such doubt and acquit him.

Requested by defendant and ———.

—————, Judge.

Every public offense for which a person may be prosecuted consists of one or more essential elements, and it is necessary for the prosecution to prove to you beyond a reasonable doubt every one of these essential elements, and if they fail to do so the de-

fendant is entitled to a verdict of not guilty, or if from all the evidence you have a reasonable doubt as to any essential element, it is your sworn duty to give the defendant the benefit of such doubt and acquit him.

Requested by defendant and ———.

—————, Judge.

You are instructed that a witness false in one part of his testimony is to be distrusted in others, that is to say, the jury may reject the whole testimony of a witness who has wilfully sworn falsely as to a material point and the jury, if it be convinced that a witness has stated what was untrue, not as a result of inadvertence, but wilfully and with the design to deceive, must treat all his testimony with distrust and suspicion.

Requested by defendant and ———.

—————, Judge. [173]

In judging of the credibility of the various witnesses who have testified before you in this case and in determining what weight and credit you shall give to their testimony, you have the right, and it is your duty, to take into consideration their interest in the case, if any; their character and conduct; their appearance upon the witness-stand and their manner of testifying; their candor; fairness or intelligence, or lack thereof; their relation to the parties; their bias or impartiality; the strength or weakness of their recollection; the inherent probability or improbability of their statements and all other facts and circumstances appearing at the trial.

You are the sole and exclusive judges of the credit

to be given to the testimony of the different witnesses who have appeared before you, and you are not bound to believe anything to be a fact merely because a witness or any number of witnesses state that such is a fact, provided that you believe from the evidence that such witness or witnesses are mistaken or have knowingly testified falsely.

Requested by defendant and ———.

—————, Judge. [174]

If, after a consideration of the whole case, any juror should entertain a reasonable doubt of the guilt of the defendant, it is the duty of such juror so entertaining such doubt not to vote for a verdict of "guilty," nor to be influenced in so voting, for the single reason that a majority of the jurors or even all the other jurors should be in favor of the verdict of guilty. The defendant is entitled to the individual opinion of each and every juror and no juror should surrender his opinion merely because the other jurors disagree with him therein so long as he has a reasonable doubt.

This does not mean that you shall not fairly and impartially discuss the whole case together in order that you may agree upon and render a true and just verdict.

Requested by defendant and ———.

—————, Judge.

[Endorsed]: No. 672—Crim. U. S. District Court, Southern District of California, Southern Division. United States, vs. John Grant Lyman. Defendant's Instructions Refused. Filed Dec. 10, 1913. Wm.

M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [175]

*In the District Court of the United States for the
Southern District of California, Southern Division.*

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

Instructions of the Court to Jury.

Gentlemen of the Jury:

The defendant in this case is charged with having placed and caused to be placed in the United States Postoffice in the city of Los Angeles, State of California, to be sent and delivered by the postoffice establishment of the United States, certain letters, for the purpose of executing a scheme to defraud alleged to have been previously devised by him. This scheme is fully set forth and described in the indictment, which has been read to you, and which you will have with you in the jury-room, and which, therefore, need not be recited here.

The indictment contains six counts.

All charge the same scheme to defraud, but each alleges the deposit in the United States mail of a letter different from those set forth in the other counts. [176]

To constitute the offense charged in the first

count, three things are necessary: First, that the defendant devised the scheme therein described; second, that said scheme was one to defraud; third, that said defendant, for the purpose of executing said scheme, placed, or caused to be placed, in the postoffice at Los Angeles, California, to be sent and delivered by said postoffice establishment, the letter in said count described.

If you are satisfied from the evidence, beyond a reasonable doubt, of the existence of the three constituents which I have enumerated, you will find the defendant guilty as charged in said first count. If, however, the evidence fails to so satisfy you of said constituents, or either of them, you will find the defendant not guilty as charged in the first count.

The instructions which I have given you with reference to the first count apply also to the remaining five counts, except, that, in order to justify a conviction on any one of said five counts, the evidence must show, besides the other elements of the offense, that the defendant placed or caused to be placed in said postoffice, to be sent and delivered by said postoffice establishment, the letter mentioned in such count. [177]

The Court further instructs you, that the rule of law applicable to criminal prosecutions for obtaining money or property by false pretenses, namely, that the representation or pretence must be of some existing fact and not a mere expression of opinion or a mere promise as to the future, and that the fraudulent purpose must be something more than an in-

tention not to carry out a promise or contract, does not apply to this case.

The section of the Criminal Code under which this prosecution was brought denounces as a crime the mailing or causing to be mailed of a letter in the execution of a scheme to defraud.

The evil sought to be remedied is always important in determining the meaning of a statute. It is common knowledge that nothing is more alluring than the expectation of receiving large returns on small investments. Eagerness to take the chances of large gains lies at the foundation of all lottery schemes, and, even when the matter of chance is eliminated, any scheme or plan which holds out the prospect of receiving more than is parted with appeals to the cupidity of all.

In the light of this the statute must be read, and so read it includes everything designed to defraud by representations as to the past or present, or suggestions and promises as to the future. Thus, it will also be seen, that one of the significant facts is the intent and purpose to defraud, without which there can be no conviction. [178]

The Court further instructs you, that, if the representations intended to be made as alleged in the indictment were false, but defendant honestly believed them true, then said representations would not be fraudulent. If, however, such representations were false, and defendant, knowing their falsity, or not believing them true, intended they should be made to deceive and induce the persons to whom they were to be made to send or pay money to the Panama

Development Company, then said scheme was one to defraud.

The Court further instructs you, that, while, ordinarily, one person is not answerable for the acts or declarations of another, yet the defendant in a criminal, as well as civil action, is responsible for any act done or representation made by his command or procurement the same as if said act were done or representation made by him personally. The proof of the command or procurement may be direct or indirect, positive or circumstantial.

You are further instructed, with reference to the proof of mailing the letters set up in the indictment, that it is not essential to the commission of the offense charged, that such letters be deposited in the mail by the defendant himself, or even by another acting under his express direction, because a person is equally responsible for the mailing of any particular letter if it is deposited in the postoffice as a natural and probable consequence of any act intentionally done by such person, with knowledge, at the time thereof, that such act will naturally and probably result in the mailing of such letter. [179]

You are further instructed, that a person is responsible for the mailing of any letter if he sets in operation and makes use of an agency which, as he knows at the time, would according to its established and regular course, carry such letter through the mail to the person or persons to whose attention he designed and intended such letter should be brought.

You are further instructed, that the official postmark of the Los Angeles postoffice, appearing on

some of the letters set up in the indictment, and which have been introduced in evidence, are *prima facie* proof that said letters were mailed at said postoffice.

Evidence has been offered of the concealment, escape and flight of the defendant. On this subject, the Court instructs you, that acts of concealment, escape or flight by an accused are competent to go to the jury as tending to establish guilt, but they are not to be considered as alone conclusive, or as creating a legal presumption of guilt, but only as circumstances to be considered and weighed in connection with other proof with the same caution and circumspection which their inclusiveness, when standing alone, requires.

The Court further instructs you, that the presumption of guilt arising from the concealment, escape or flight of the accused is a presumption of fact—not of law—and is merely a circumstance tending to increase the probability of defendant's guilt, which is to be weighed by the jury like any other evidentiary circumstance.

You are further instructed, that it is not incumbent upon the Government to prove every element of the scheme to defraud [180] alleged in the indictment, but it is sufficient in that particular if a scheme to defraud is shown to have been devised, and, that such scheme is substantially that described and set out in the indictment.

The Court further charges you, that, while you must follow its instructions as to the law of the case,

you are the sole judges of the facts and the credibility of witnesses, and, if the Court expresses an opinion or comments either upon the facts or credibility of witnesses, you are not bound by such opinion or comment, but should exercise your own independent judgment on such matters.

Among the circumstances to be considered by you in passing upon the credibility of witnesses are, so far as shown by the evidence, their character and conduct, their relation to the case and its parties, their motives, their manner, attitude and demeanor upon the witness stand, their fairness and intelligence, their bias or impartiality, the strength or weakness of their recollection, the reasonableness of their statements, and all other facts in the case. You should also look to the interests which the witnesses have in the suit or its result.

The law permits the defendant, at his own request, to testify in his own behalf. The defendant here has availed himself of this privilege, and his testimony is to be treated like the testimony of any other witness,—that is, it is for you to say, remembering the circumstances just enumerated as bearing upon the credibility of witnesses, whether or not he told the truth. The deep personal interest which he has in the result of the suit should be considered by the jury in determining [181] how far and to what extent his testimony is worthy of credit.

If any of the witnesses are shown knowingly to have testified falsely on this trial touching material matters here involved, the jury are at liberty to reject the whole or any part of their testimony.

You are instructed that the defendant in this case is entitled to the individual opinion of each member of this jury and that no member of this jury should vote for a conviction of the defendant because of the opinion of the other members of the jury so long as he has a reasonable doubt as to the guilt of the defendant, but this does not mean that you should not consult together and try to agree upon a verdict.

The Court further instructs you, that the burden of proof is on the Government, and that the law presumes the defendant innocent until proven guilty beyond a reasonable doubt, and that this rule applies to every material element of the offense charged. The Court further instructs you, that a reasonable doubt is one which is reasonable in view of all the evidence, and if, after an impartial comparison and consideration of all the evidence, you can candidly say that you are not satisfied of the defendant's guilt, you have a reasonable doubt; but if, after such impartial comparison and consideration of all the evidence, you can truthfully say that you have an abiding conviction of the defendant's guilt, such as you would be willing to act upon in the more weighty and important matters relating to your own affairs, you have no reasonable doubt. [182]

You may acquit or convict the defendant on one or more or all of the counts of the indictment as the evidence requires. If you acquit him on all the counts, your verdict will be general verdict of not guilty. If you convict him on all of the counts, your

verdict will be a general verdict of guilty as charged in the indictment.

[Endorsed]: No. 672—Crim. U. S. District Court, Southern District of California, Southern Division. The United States of America, vs. John Grant Lyman. Instructions of the Court. Filed December 10th, 1913. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [183]

Your Honor, we would like to be enlightened in regard to the alleged intent of the defendant to defraud. Are we to consider his intent at the time of organizing the Panama Development Company, or at the time the several letters in the indictment were written, or mailed, or at any subsequent time?

[Endorsed]: 672—Crim. Filed Dec. 10, 1913. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [184]

In the District Court of the United States for the Southern District of California, Southern Division.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

Further Instructions of the Court to Jury.

Gentlemen of the Jury:

Replying to the question which you have propounded to me, I instruct you, that the mailing of

a letter without the fraudulent intent would be no crime; if, however, the evidence satisfies you, beyond a reasonable doubt, that the fraudulent intent was in the mind of the defendant before the mailing of any one of the letters mentioned in the indictment, then, as to the count in which that letter is set forth, the fraudulent intent is sufficiently established.

[Endorsed]: No. 672—Crim. U. S. District Court, Southern District of California, So. Div. U. S. vs. J. G. Lyman. Further Instruction of the Court. Filed Dec. 10, 1913. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [185]

In the District Court of the United States for the Southern District of California, Southern Division.

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,

Plaintiffs,

vs.

JOHN GRANT LYMAN,

Defendant.

Verdict.

We, the jury in the above-entitled cause, find the defendant, John Grant Lyman, guilty as charged in the first count of the indictment, and not guilty as charged in the second, third, fourth, fifth and sixth counts of the indictment.

Los Angeles, Cal., Dec. 10th, 1913.

S. M. GODDARD,

Foreman.

[Endorsed]: No. 672—Crim. United States District Court, Southern District of California, Southern Division. United States of America vs. John Grant Lyman. Verdict. Filed December 11th, 1913. Wm. M. Van Dyke, Clerk. By Chas. N. Williams, Deputy Clerk. [186]

In the District Court of the United States, in and for the Southern District of California, Southern Division.

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant.

Motion for a New Trial.

Comes now the defendant, John Grant Lyman, and moves this Honorable Court that he be granted a new trial, and for grounds of this motion alleges:

A. That the Court misdirected the jury in questions of law.

B. That the Court erred in decisions of questions of law arising during the course of the trial.

C. That the verdict is contrary to the law.

D. That the verdict is contrary to the evidence.

E. That the verdict is contrary to the law and the evidence.

F. That the evidence is insufficient to justify the verdict.

G. That the Court erred in refusing each and

every instruction requested by the defendant and refused by the Court.

H. That the Court erred in giving each and every instruction requested by the prosecution and given by the Court.

I. That the Court erred in modifying each and every instruction requested by the defendant and modified by the Court and thereafter given as modified by the Court.

PAUL SCHENCK,
Attorney for Defendant. [187]

[Endorsed]: Original. #672—Crim. In the District Court of the United States, in and for the Southern District of California, Southern Division. United States of America, Plaintiff, vs. John Grant Lyman, Defendant. Motion for a New Trial. Rec'd Copy of Within Motion This 9th Day of January, 1914. Edward A. Regan, Special Asst. Paul W. Schenck, Criminal Law, Mason Opera House Building, Los Angeles, California, Attorney for Defendant. Filed January 9, 1914. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [188]

In the District Court of the United States, in and for the Southern District of California, Southern Division.

THE UNITED STATES OF AMERICA,
Plaintiff,

vs.

JOHN GRANT LYMAN,
Defendant.

Motion in Arrest of Judgment.

Comes now the defendant, John Grant Lyman, by Paul W. Schenck, his attorney, and moves the Court to arrest judgment herein, and for grounds of this motion alleges:

A. That the facts stated in the said indictment, and in Count I, in said indictment, do not constitute a public offense or public offenses against the United States or the laws thereof.

B. That the facts stated in said indictment, and in Count I, in said indictment, do not constitute a violation of any statute or statutes of the United States.

PAUL W. SCHENCK,
Attorney for Defendant.

[Endorsed]: Original. 672—Crim. In the District Court of the United States, in and for the Southern District of California, Southern Division. United States of America, Plaintiff, vs. John Grant Lyman, Defendant. Motion in Arrest of Judgment. Rec'd Copy of Within This 9th Day of Jan., 1914. Edward A. Regan, Special Assistant. Paul W. Schenck, Criminal Law, Mason Opera House Building, Los Angeles, California. Filed January 9, 1914. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [189]

Copy Judgment.

At a stated term, to wit, the January term, A. D. 1913, of the District Court of the United States of America, in and for the Southern District of California, Southern Division, held at the courtroom thereof in the city of Los Angeles, on Friday, the 9th day of January, in the year of our Lord one thousand nine hundred and fourteen. Present: The Honorable OLIN WELL BORN, District Judge.

No. 672—CRIM.

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant.

This cause having come on at this time for the sentence of the defendant; E. A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, appearing as counsel for the United States; defendant being present in custody of the U. S. Marshal, with his counsel, Paul W. Schenck, Esq.; I. Benjamin being present as shorthand reporter of the proceedings, and acting as such; and a motion for a new trial having been presented and filed by Paul Schenck, Esq., counsel for the defendant, and said motion for a new trial having been argued, in support thereof, by Paul Schenck, Esq., and, in opposition thereto, by E. A. Regan, Esq., Special Assistant to the U. S. Attorney

for the Southern District of California, counsel for the United States, and, in reply, by Paul Schenck, Esq., counsel for the defendant, and said motion having been submitted to the Court for its consideration and decision, it is thereupon ordered that said motion be, and the same hereby is, denied, to which ruling of the Court an exception is noted by Paul Schenck, Esq., counsel for the defendant, and entered herein; whereupon a [190] motion in arrest of judgment is presented and filed by Paul Schenck, Esq., counsel for defendant, and it is ordered that said motion in arrest of judgment be, and the same hereby is, denied. Thereupon, the defendant having been called for sentence, and statements having been made by said defendant in mitigation of sentence; by E. A. Regan, Esq., Special Assistant to the U. S. Attorney for the Southern District of California, counsel for the United States, concerning sentence; and by Paul Schenck, Esq., counsel for the defendant, in mitigation of sentence, the Court thereupon pronounces judgment herein as follows: The Judgment of the Court is that John Grant Lyman, defendant herein, be imprisoned in the State Penitentiary, at San Quentin, California, for the term of one (1) year and three (3) months; and it is ordered that judgment accordingly be entered herein. Thereupon, on motion of Paul Schenck, Esq., counsel for defendant, it is ordered that a stay of execution of judgment herein for fifteen (15) days be, and the same hereby is granted defendant; and on like motion of Paul Schenck, Esq., counsel for defendant, it is ordered that defendant be, and he hereby is

granted fifteen (15) days within which to file his bill of exceptions or take such other steps as he may be advised. Defendant is remanded to the custody of the U. S. Marshal. [191]

*In the District Court of the United States for the
Southern District of California, Southern Division.*

No. 672—CRIM. S. D.

THE UNITED STATES OF AMERICA,
Plaintiffs,

vs.

JOHN GRANT LYMAN,
Defendant.

**Certificate of Clerk, U. S. District Court, to
Judgment-roll.**

I, Wm. M. Van Dyke, Clerk of the District Court of the United States for the Southern District of California, do hereby certify the foregoing to be a true copy of the Judgment entered in the above-entitled action, and I further certify that the foregoing papers hereto annexed constitute the Judgment-roll in said action.

Attest my hand and the seal of said District Court,
this 12th day of January, A. D. 1914.

[Seal]

WM. M. VAN DYKE,
Clerk.

By Murray C. White,
Deputy Clerk.

[Endorsed]: No. 672—Crim. In the District Court of the United States for the Southern District

of California, Southern Division. The United States vs. John Grant Lyman. Judgment-roll. Filed Jan. 12th, 1914. Wm. M. Van Dyke, Clerk. By Murray C. White, Deputy Clerk. Recorded Minute-book No. 17 page. [192]

In the District Court of the United States, in and for the Southern District of California, Southern Division.

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN GRANT LYMAN,

Defendant.

Bill of Exceptions.

BE IT REMEMBERED that heretofore the Grand Jury of the United States, in and for the Southern District of California, did file and return into the above-entitled court its indictment against the defendant, John Grant Lyman, and thereafter the said John Grant Lyman appeared in said court, and after having demurred to the said indictment, and having duly pleaded, as shown by the record herein, and the cause being at issue, the same came on for trial before the Honorable Olin Wellborn, District Judge, and a jury duly impaneled, the United States being represented by Edward A. Regan, Esq., Special Assistant United States Attorney, and the defendant, John Grant Lyman, being represented by Paul W. Schenck, Esq., the following proceedings were had:

**Testimony of Celora Martin Stoddard, for
Plaintiff.**

CELORA MARTIN STODDARD, a witness called on behalf of the United States, being first duly sworn, testified as follows:

My name is Celora Martin Stoddard. I live at Phoenix, Arizona. My business is incorporating. I am the secretary and treasurer of the Stoddard Incorporating Company, Phoenix, Arizona. During 1911 I had some correspondence with the defendant.

Q. I show you this letter and ask you whether or not you received this letter through the mail?

A. Yes, sir.

Mr. REGAN.—I now offer in evidence this letter, if your [193] Honor please.

Mr. SCHENCK.—We object to that as incompetent, irrelevant, immaterial and no foundation laid, in this that it is not connected with the defendant in any way.

The COURT.—Will you have it marked for identification?

Mr. REGAN.—Yes, sir. I will ask that this letter, dated April 18th, 1911, addressed to Stoddard Incorporating Company, Phoenix, Arizona, and signed J. G. Lyman, be marked U. S. Exhibit 1, for identification.

Q. I will show you this letter and ask you whether or not you wrote that letter?

(It was stipulated between the United States Attorney and counsel for the defendant that throughout the trial each ruling on the admission of evidence adverse to the contention of the defendant may be deemed excepted to for the purpose of the record, and the exception preserved.)

A. I dictated the letter. That is my signature. The letter was mailed afterward in the ordinary course of business.

Mr. REGAN.—I will now offer this letter in evidence and ask that it be marked U. S. Exhibit 2.

Mr. SCHENCK.—To which we object on the ground that it is incompetent, irrelevant, immaterial and no foundation laid, and upon the further ground, if your Honor please, that at this time we desire to make an objection, which will probably be before the court a great many times, and that is this: we offer to show at this time that every document and paper, either of the Panama Development Company, or of this defendant, are in the hands of the Government at this time by virtue of no power or process of this court or of any other court, but simply seized by the officers of the Government without any right or authority, in violation of both the fourth and fifth amendments of the Constitution of the United States, and that each of the documents and papers [194] thus seized—maps, pamphlets, papers—were seized, I say, from the possession of the defendant himself or from the possession of the Panama Development Company and that they cannot be used in this court as evidence for the reason that they

(Testimony of Celora Martin Stoddard.)

are here in court in violation of the Constitution with reference to unreasonable searches and seizures, and in violation of the other amendment, that no person shall be obliged to produce evidence or furnish evidence against himself. If there is any dispute on the question of whether the papers were secured by process of any court whatsoever, we offer at this time to prove that they were not. This Court knows that there has no process been issued; it is a matter of judicial knowledge, and this Court has issued no process to warrant their seizure.

It was stipulated here, that the letter might be admitted in evidence temporarily, subject to a motion to strike out.

Q. (By Mr. REGAN.) I show you a letter dated April 28th, 1911, addressed to Stoddard Incorporating Company, Phoenix, Arizona, signed John D. Lyman, and ask you whether or not you received that letter.

A. Yes, that was received in our office.

Mr. REGAN.—I now offer that letter in evidence.

Mr. SCHENCK.—Same objection.

Mr. REGAN.—I suppose your Honor will exclude it?

The COURT.—Yes, for the present.

Mr. REGAN.—I will now ask that the letter be marked U. S. Exhibit 3 for identification.

Mr. REGAN.—I will show you this letter, dated May 26th, 1911, written on paper headed "Panama Development Company, 216 Mercantile Place, Los

(Testimony of Celora Martin Stoddard.)

Angeles, California, May 25, 1911," addressed to the Stoddard Incorporating Trust Company, Phoenix, Arizona, and signed Panama Development Company by L. R. Smith, and ask you whether or not you received that letter? [195]

A. Yes, sir; that was received at our office.

Mr. REGAN.—I now ask that the letter just referred to be marked U. S. Exhibit A for identification.

(Letter marked United States Exhibit 4 for identification.)

Mr. REGAN.—I show you a letter on paper headed "Panama Development Company, 216 Mercantile Place, Los Angeles, July 24, 1911," addressed to Stoddard Incorporating Trust Company, Phoenix, Arizona, and signed Panama Development Company by Lyman, and ask you whether or not you received that letter?

A. Yes, sir, received at our office.

The COURT.—Signed by whom?

Mr. REGAN.—By Lyman.

The COURT.—Lyman.

Q. (By Mr. REGAN.) That came through the mail? A. Yes, sir.

Mr. REGAN.—I ask that the letter just referred to by the witness be marked United States Exhibit 5 for identification.

(Letter marked United States Exhibit 5 for identification.)

Q. (By Mr. REGAN.) I now show you a letter on paper headed "Stoddard Incorporating Com-

(Testimony of Celora Martin Stoddard.)

pany, Isaac P. Stoddard, President, Phoenix, Arizona, Celora M. Stoddard, Secretary and Treasurer," dated the 26th day of July, 1911, addressed to the Panama Development Company, 216 Mercantile Place, Los Angeles, California, and signed Celora M. Stoddard, Secretary. Did you dictate that letter in the ordinary course of business? A. Yes, sir.

Q. Was it mailed? A. Yes, sir.

Mr. SCHENCK.—To whom is that addressed?

Mr. REGAN.—Panama Development Company. I now offer this letter in evidence and ask that it be marked United States Exhibit 6 for identification. [196]

Mr. SCHENCK.—You don't offer it?

Mr. REGAN.—Well, not in evidence. I offer it for identification.

(Letter marked United States Exhibit 6 for identification.)

Mr. REGAN.—I show you this letter on paper of the Panama Development Company, 216 Mercantile Place, between Fifth and Sixth Streets, Los Angeles, August 9, 1911, Stoddard Incorporating Company, Phoenix, Arizona, signed Panama Development Company by L. R. Smith, and ask you whether or not that was received by you?

A. Received at our office.

Mr. REGAN.—I now offer that letter for identification and ask that it be marked United States Exhibit 7 for identification.

(Letter marked United States — 7 for identification.)

Testimony of John Redpath, for Plaintiff.

JOHN REDPATH, a witness called on behalf of the United States, being first duly sworn, testified as follows:

I live at 718 Alvarado Street, Los Angeles. I am acquainted with the defendant John Grant Lyman. I have seen him write his name frequently.

Q. I show you this letter United States Exhibit 1 for identification and ask you whether or not in your opinion you can state whose signature that is?

A. That is Dr. Lyman's—the defendant here.

Mr. REGAN.—I now offer United States Exhibit 1 for identification in evidence and ask that it be marked United States Exhibit 1.

Mr. SCHENCK.—Objected to on the ground that no foundation is laid.

The COURT.—What do you mean?

Mr. SCHENCK.—It is a mere matter of opinion. I don't [197] think that is entitled to be admitted on a mere opinion. The objection goes to the sufficiency of the foundation, if your Honor please.

Q. From the writing which you have seen the defendant do, do you feel that you can express an opinion on handwriting as to whether or not it is his?

A. I would say it is his handwriting.

Q. Do you feel that you can express an opinion as to whether or not — writing is his writing?

A. Yes, sir.

The COURT.—You know his handwriting, in other words, do you?

(Testimony of John Redpath.)

A. Yes, sir.

The COURT.—Very well. Go on. The objection is overruled.

Mr. SCHENCK.—That becomes Exhibit 1 now?

Mr. REGAN.—Yes. This letter reads as follows:

U. S. Exhibit No. 1—Letter, April 18, 1911, Lyman to Stoddard Incorporating Co.

HOTEL ALEXANDRIA.

Los Angeles, April 19, 1911.

(In pencil:) Credit attach "*wire if not paid.*"

S. I. Co. RECEIVED APR. 20, 1911.

CK 50

Credit 50—P C hg 50—P

1613.

Answered Apr. 21, 1911.

Stoddard Incorporating Co.,

Phoenix, Arizona.

Gentlemen:

Please incorporate a company, entitled

PANAMA DEVELOPMENT COMPANY.

with an authorized capitalization of \$1,000,000.00, par value of shares \$10.00, date of annual meeting of stockholders first Tuesday [198] in February:

As to the names of the directors, cannot you temporarily supply three, as am not yet sure who will act and so would prefer deferring naming them for the present? Enclosed herewith find check for \$50.00 to cover.

Shall hope to hear from you in a few days in response to mine of April 17th, regarding the Wyo-

ming Oil & Developing Company, which we want to transform into the Wyoming Oil & Refining Company and get part of the property which has been deeded to the Wyoming Oil & Development Co., and so recorded in Wyoming, into the possession of the new Wyoming Oil & Refining Co.

Yours very truly,

J. G. LYMAN.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 1 for identification. U. S. Exhibit 1. Filed October 17, 1913. Wm. H. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—Q. I now offer in evidence United States Exhibit 2 for identification, which is the letter which the witness Stoddard testified was a reply to United States Exhibit 1.

To which introduction the defendant objected, on the ground that it was incompetent by reason of its method of production. The Court overruled the objection, and to such ruling the defendant then and there excepted. It was here stipulated between the United States Attorney and counsel for the defendant, that the same objection might apply to all letters presented to the witness Stoddard for identification.

United States Exhibit 2 reads as follows:

**U. S. Exhibit No. 2—Letter, April 21, 1911, Stoddard
to Lyman.**

STODDARD INCORPORATING COMPANY.

Isaac T. Stoddard, President.

Phoenix, Arizona.

Celora Martin Stoddard,

Secretary and Treasurer, [199]

21st April, 1911.

Mr. J. G. Lyman,

Hotel Alexandria,

Los Angeles, California.

Dear Sir:

Please accept our thanks for your valued favor of the 19th instant, enclosing cheque for \$50 in payment for the incorporation of the Panama Development Company, which has been duly received.

We note your suggestion that we proceed with the incorporation of the company and furnish a dummy board of three directors. It is contrary to our regulations to furnish such dummy directors and it really is of no advantage to a company inasmuch as the corporation cannot carry on any business through anyone but its temporary board. There would have to be the meeting of such dummy board of directors at which their successors would be elected. Therefore, there really is no advantage in proceeding in this way.

Be assured that upon receipt of your further instructions and the names of the parties you wish to have serve as the first board of directors, we will

immediately proceed with the incorporation of your company.

We trust that you have received our reply to your letter of the 17th instant and that our efforts in your behalf are of service to you.

Awaiting your further valued favor, we remain,

Yours very respectfully,

CELORA M. STODDARD.

Dict. S/P.

[Endorsed]: 672-Crim. U. S. vs. Lyman. U. S. Exhibit 2 for Identification. U. S. Exhibit 2. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I now offer U. S. Exhibit 3 for identification, [200] and ask that it be marked U. S. Exhibit 3.

(Mr. REGAN reads said Exhibit to the jury as follows:)

U. S. Exhibit No. 3—Letter April 28, 1911, Lyman to Stoddard Incorporating Co.

HOTEL ALEXANDRIA.

Los Angeles, April 28, 1911.

Stoddard Incorporating Co.,

Phoenix, Arizona.

Gentlemen:

On April 19th, I sent you check for \$50. together with papers, requesting the incorporation of the PANAMA DEVELOPMENT COMPANY. Will

(Testimony of John Redpath.)

you kindly proceed with the same and elect as directors:

E. A. Lynn

W. H. Barry

and they will elect the third member here.

Yours very truly,

JOHN G. LYMAN.

Incorp. Co. Apr. 29, 1911 (In blue pencil).

[Endorsed]: U. S. vs. Lyman. U. S. Exhibit 3 for identification. U. S. Exhibit 3. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Q. (By Mr. REGAN.) I show you United States Exhibit 5 for identification and ask you whether or not in your opinion the defendant signed that letter, signed Lyman.

A. In my opinion that is his writing.

Mr. REGAN.—We now offer in evidence United States Exhibit 5 for identification and ask that it be marked United States Exhibit 5. It reads:

U. S. Exhibit No. 3—Letter July 24, 1911, Panama Development Co. to Stoddard Incorporating Trust Co.

PANAMA DEVELOPMENT COMPANY.

216 Mercantile Place.

Between Fifth and Sixth Streets.

Los Angeles, July 24, 1911.

Stoddard Incorporating Trust Co.,

Phoenix, Arizona, [201]

Gentlemen:—

We would like to reduce our capital from

\$1,000,000 to to \$100,00. We only have \$50,000 paid in. What are the necessary steps to take and what will it cost?

Very truly yours,

PANAMA DEVELOPMENT COMPANY.

By LYMAN.

[Endorsed]: 672-Crim. U. S. vs. Lyman. U. S. Exhibit 5 for Identification. U. S. Exhibit 5. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I now offer in evidence United States Exhibit 6 for identification which the witness Stoddard testified was an answer to United States Exhibit Number 5.

The COURT.—Very well.

(Mr. REGAN reads said letter as follows:)

**U. S. Exhibit No. 6—Stoddard to Panama
Development Co.**

STODDARD INCORPORATING COMPANY.

Isaac T. Stoddard, President.

Phoenix, Arizona.

26th July, 1911.

Celora Martin Stoddard,

Secretary and Treasurer, Panama Development
Company,

216 Mercantile Place,

Los Angeles, California.

Gentlemen:

Your letter of the 24th instant is this morning at hand.

Replying to your inquiry, we have to say that in

order to legally change the Articles of Incorporation of an Arizona Company and decrease the capital stock, it will be necessary that a resolution to such effect be passed at a stockholders' meeting by the affirmative vote of a majority of the issued and outstanding capital stock of the corporation. A certificate of such amendment [202] duly signed by the President and attested by the Secretary of the company, should then be forwarded to us for filing. We are enclosing herewith a blank form of amendment for your use.

The average cost of an amendment is \$35. which includes the several filings, recording, legal publication and one certified copy of the amendment.

We would be pleased to attend to the holding of your meeting, after the same has been properly called, on receipt of proxies and such other data as is mentioned in the enclosed meeting-letter. You will note that our charge for holding meetings here by proxy is very reasonable.

Of course you understand that the notice for the meeting to authorize the amendment of your Articles of Incorporation should state the purpose for which the meeting is to be held.

Assuring you that your instructions will be carried out in detail and that your meeting and amendment will receive prompt and careful attention when entrusted to us, we remain,

Yours very respectfully,

CELORA M. STODDARD,

Secretary.

Dict. S/L.

Enc.

(Testimony of John Redpath.)

[Endorsed]: 672-Crim. U. S. v. Lyman. U. S. Exhibit 6 for Identification. U. S. Exhibit 6. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Cross-examination by Mr. SCHENCK.

I have seen Dr. Lyman write a great many times. Have seen Lyman sign his name otherwise than J. G. Sometimes John G. No doubt in my mind that Dr. Lyman signed U. S. Exhibits 1 and 3. There is a difference in the handwriting between Exhibits 1 and 3.

Q. No doubt about it at all? You don't see any difference [203] in the handwriting at all—any very decided difference?

A. There is a difference in the handwriting.

Q. A very decided difference in the handwriting?

A. Some.

Q. Does that cause you to hesitate or doubt in swearing that your opinion is that he signed both of them?

A. His signatures have been erratic—the signatures that I have seen—of different kinds.

Q. And that accounts, in your opinion, for the decided and marked difference which you see in the two signatures there?

A. There is a similarity in the writing.

Q. Don't you know as a matter of fact that the one signed "J. G. Lyman" was not signed by the defendant J. G. Lyman, the defendant in this case, at all? A. No; I do not.

Q. You didn't see him sign either one, did you?

(Testimony of John Redpath.)

A. No, sir; I didn't see him sign either one of them.

Q. Was the erratic handwriting which you say you noticed a characteristic of his writing? Did it bring about as broad a difference as you see there?

A. Well, I don't know about as broad a difference between the two, but there has been a similarity in the "L's and "Y" and "J." After comparing them my opinion is not shaken.

Mr. REGAN.—I now offer in evidence a certified copy of the articles of incorporation of the Panama Development Company.

Mr. SCHENCK.—Objected to on two grounds: First, on the ground that they are at variance from the incorporation alleged in the indictment, in this: That the indictment charges that this defendant on or about the 1st day of May had devised a scheme to defraud, and that that scheme consisted, among other things, that he would form a corporation for \$50,000 capital under [204] the laws of Arizona. The copy of articles of incorporation offered in evidence here show an incorporation which came to life and being in April, 1911, or prior to the date of the alleged devising. And, furthermore, upon the ground that there is a variance in this: That the capital stock of this corporation is alleged to be one million dollars. My principal contention is that the indictment says that the scheme that he devised prior thereto was that he would form a corporation. This cannot be the one then.

It was here stipulated that the reporter may copy

in his records as though they had been read, all documents offered in evidence.

(Exhibit 8 is read into the record as follows:)

**U. S. Exhibit No. 8—Certified Copy Articles of
Incorporation of Panama Development Co.**

TERRITORY OF ARIZONA.

Office of the

TERRITORIAL AUDITOR.

United States of America,

Territory of Arizona,—ss.

I, G. A. Mauk, Territorial Auditor of Arizona, do hereby certify that the annexed is a true and complete transcript of the ARTICLES OF INCORPORATION OF PANAMA DEVELOPMENT COMPANY which were filed in this office on the twenty-ninth day of APRIL A. D. 1911, at 1:30 o'clock P. M. as provided by law.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal. Done at the city of Phoenix, the Capital, this 29th day of APRIL A. D. 1911.

[Seal]

G. A. MAUK,
Territorial Auditor.

ARTICLES OF INCORPORATION.

BE IT KNOWN, That we, Celora M. Stoddard and M. La Rue, do hereby associate ourselves together and form a corporation under Chapter II of Title XIII, Revised Statutes of Arizona, 1901, and [205] acts amendatory thereto, and adopt the following Articles of Incorporation.

ARTICLE I. The name of the corporation is

PANAMA DEVELOPMENT COMPANY and its principal place of transacting business in Arizona is Phoenix. Offices may be established, business transacted and meetings of stockholders and directors held at such places within or outside of Arizona as the By-laws of the Company shall provide.

ARTICLE II. The general nature of the business proposed to be transacted is to make contracts; to purchase, lease, option, locate or otherwise acquire, own, exchange, sell or otherwise dispose of, pledge, mortgage, hypothecate and deal in mines, mining claims, mineral lands, coal lands, oil lands, timber lands, water and water rights and other property, both real and personal and to work, explore, operate and develop the same, and to deal in the products and by-products thereof; to purchase, lease, or otherwise acquire, erect, own, operate and sell smelting and other ore reduction works, oil refineries, sawmills, power plants, railroads and tramways to lead from the company's principal works, and steam electric and motor railroads to serve as common carriers and otherwise outside the territory of Arizona; to do a general manufacturing and mercantile business, to own, handle and control letters patent and inventions; to own, cancel and reissue shares of its own capital stock and to own and vote shares of other corporations; to issue bonds, notes and other evidences of indebtedness and to secure the payment of the same by mortgage, deed of trust or otherwise; to act as agent, trustee, broker, or in any other fiduciary capacity, and to borrow and loan money; and in general to do and perform such acts and things

and transact such business, not inconsistent with law, in any part of the world, as the Board of Directors may deem to the advantage of the corporation. [206]

ARTICLE III. The amount of the authorized capital stock of the corporation is ONE MILLION DOLLARS, divided into ONE HUNDRED THOUSAND shares of the par value of TEN dollars, each, which shall be paid in, at such time as the Board of Directors may designate, in cash, real or personal property, services, lease, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of capital stock, when issued in exchange therefore, shall thereupon and thereby become and be full-paid the same as though paid for in cash at par, and shall be non-assessable forever, and the judgment of the directors as to the value of any property, right or thing acquired in exchange for capital stock shall be conclusive.

ARTICLE IV. The time of the commencement of the corporation shall be the day these articles are filed in accordance with law, and the termination thereof shall be twenty-five years thereafter, with privilege of renewal and right of perpetual succession as now provided by law.

ARTICLE V. The affairs of this corporation shall be conducted by a Board of not less than three nor more than fifteen Directors, by whom a President and Vice-President shall be elected by and from among the Stockholders and a secretary and treasurer appointed. The Directors shall be elected on

the first Tuesday in February of each year. Until their successors are elected and qualified, the following named persons shall be the Directors and Officers: E. A. Lynn, W. H. Barry, M. La Rue.

ARTICLE VI. The Directors shall adopt by-laws for the government of the corporation and may amend the same. They shall have power to fill vacancies occurring in the Board from any cause, and to appoint from among their number an executive committee which, to the extent provided by resolution or by the said by-laws, shall have and exercise the powers granted the Directors by these articles.
[207]

ARTICLE VII. The highest amount of indebtedness or liability to which the corporation is at any time to subject itself is SIX HUNDRED SIXTY THOUSAND Dollars.

ARTICLE VIII. The private property of the Stockholders of the Corporation shall be forever exempt from corporate debts of any kind whatsoever.

IN WITNESS WHEREOF, we hereto affix our signatures this 29th day of April, 1911.

CELORA M. STODDARD. (Seal)

M. LA RUE. (Seal)

Territory of Arizona,
County of Maricopa,—ss.

Before me, M. A. Pickett, a Notary Public in and for the county and territory aforesaid, on this day personally appeared Celora M. Stoddard and M. La Rue, known to me to be the same persons who signed the foregoing instrument, and acknowledged to me

that they executed the same for the uses and purposes therein mentioned.

Given under my hand and seal of office this 29th day of April, 1911.

My commission will expire on the 16th day of April, 1914.

(Notarial Seal)

M. A. PICKETT,
Notary Public.

Territory of Arizona,
County of Maricopa,—ss.

I, C. F. Leonard, County Recorder in and for the county and territory aforesaid, hereby certify that I have compared the foregoing copy with the original Articles of Incorporation of PANAMA DEVELOPMENT COMPANY filed and recorded in my office on the 29th day of April, 1911, and that the same is a full, true and correct copy of such original and of the whole thereof.

WITNESS MY HAND AND SEAL OF OFFICE, this 29th day of April, [208] 1911.

C. F. LEONARD,
County Recorder.
By V. L. Vaughn,
Deputy.

Filed in the office of the Territorial Auditor of the Territory of Arizona this 29th day of April, A. D. 1911, at 1:30 P. M., at request of Stoddard Incorporating Company whose postoffice address is Phoenix, Arizona.

G. A. MAUK,
Territorial Auditor.

Copy furnished for certification compared G. B. to S. A.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 8. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

**Testimony of Celora M. Stoddard, for Plaintiff
(Recalled).**

CELORA M. STODDARD, recalled, testified as follows on direct examination:

Q. (By Mr. REGAN.) Did you prepare papers in reference to the incorporation of the Panama Development Company?

A. Our office—yes, sir.

Q. And who were the incorporators of that?

A. Myself and M. La Rue. I received payment for this work.

Q. From whom? A. Lyman, I suppose.

Cross-examination.

(By Mr. SCHENCK.)

Q. You mean by that that you received pay for your work by the check that you mentioned in a letter there? [209] A. Yes, sir.

Q. That is all you know about it? A. Yes, sir.

Q. You never saw Lyman personally, did you?

A. No, sir.

Q. You don't know whether it came from John Grant Lyman or where it came from except as specified in that letter? A. Yes, sir.

Mr. SCHENCK.—That is all.

(Recess of 5 minutes.)

Testimony of Hernan de la Guardia, for Plaintiff.

HERNAN DE LA GUARDIA, called on behalf of the United States, being first duly sworn, testified as follows:

Direct Examination.

(By Mr. REGAN.)

My full name is Hernan de la Guardia. I live in the city of Panama. I am 27 years of age. I have been engaged in clerical work since I returned from college. I attended the University of Wisconsin for two and a half years. I followed an agricultural course while there. I returned to Panama in February, 1909. I obtained a position in a bank—in the Panama Banking Company at a salary of \$75.00 per month. In 1911 I was a clerk in the Attorney General's office at a salary of \$75.00. The Attorney General is my father. I did not ever hold out or advertise as an expert in agricultural matters. I know Dr. Lyman. I met the Doctor in Panama in my father's office. The Doctor came into the office one morning to the Attorney General's office, and he had a letter of introduction to my father, who was at that time Attorney General, and my father is not conversant with English, so he told me to attend to the doctor. [210] That is how I met Dr. Lyman. After meeting the doctor I spent some time in his company. I went out with the doctor and showed him around to do some shopping. I introduced him to Mr. Quelquejeu.

Q. Now did you have any discussion with him in reference to lands in Panama?

(Testimony of Hernan de la Guardia.)

A. The doctor stated to me generally that he was interested in lands down there. He made inquiry about land. The Doctor said as near as I can recollect that he was interested in Chiriqui lands, especially, and that is how I came to take him to Mr. Quelquejeu, because my father suggested that I take him there, as Mr. Quelquejeu was well acquainted with Chiriqui conditions and land there. Lyman stated he wanted to obtain some options on land for the purpose of buying land, I imagine, later on. He wanted to get options on private land. I can't remember what particular piece of land he wanted.

Mr. REGAN.—You discussed different tracts of land down there, different sections, different parts of Panama? A. Yes, sir.

Q. Now did Dr. Lyman while he was down there say anything to you about your representing him down in Panama?

A. Yes, sir. Dr. Lyman told me he intended to form a company here in the United States for acquiring and exploiting and developing land in Panama, and that if in such a case he succeeded in forming the company he would appoint me as his representative there and I told him I would consider the matter. He told me to look up private properties. Lyman seemed more interested in Chiriqui because he had heard more of it, and because Chiriqui is the best agricultural section of the county. He did not seem familiar with Panama and did not tell me he had any options on any land in Panama, or had purchased any there.

(Exhibit 9 is now offered in evidence and reads as follows:) [211]

**U. S. Exhibit No. 9—Letter, March 30, 1911, Lyman
to de la Guardia.**

THE ST. CHARLES.

Alfred S. Amer. & Co., Ltd., Proprietors.
New Orleans, La.

March 30th, 1911.

HERNAN de la GUARDIA,
City of Panama, Panama.

My dear Mr. Guardia:—

Was sorry not to have seen you again before leaving, but shall hope to have that pleasure before many months.

I hope you will be able to obtain the map of the proposed railroad and if you can make a rough sketch of same and send it to me, together with a diagram showing the relation of that property in connection with the same, I will send you a check to cover the payment required on the option we discussed.

I hope to send you soon a copy of the Charter I would like to obtain in Panama. Will you please ascertain just how much land there is in that point of ground opposite the city which we considered as a proposed site as well as the price of the same.

Address me until further notice Alexandria Hotel, Los Angeles, Cal.

With regards to your father, believe me,

Very truly yours,

JOHN G. LYMAN.

(Testimony of Hernan de la Guardia.)

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 9. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I show you the letter on the stationery of the Hotel Alexandria, “Los Angeles, April 8, 1911, Sr. Hernan de la Guardia, city of Panama, Panama, Dear Mr. Guardia,” signed “John G. Lyman,” and I ask you whether or not you received that letter. A. Yes, sir. [212]

Q. Through the mail? A. Yes, sir.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 10.

(Said letter so offered in evidence is marked United States Exhibit 10, and is as follows):

U. S. Exhibit No. 10—Letter, April 8, 1911, Lyman to de la Guardia.

HOTEL ALEXANDRIA.

Los Angeles, April 8, 1911.

Senor Hernan de la Guardia,

City of Panama,

Panama.

Dear Mr. Guardia:

Shall hope to hear from you at an early date regarding that land proposition, together with a map of the proposed railroad, and as soon as you furnish me with this, will send you sufficient money, to either tie it up under option or make a purchase outright.

Also let me know just how much land there is in that point of land which we thought would make a good site for a Casino, and if possible ascertain what the property can be purchased for.

(Testimony of Hernan de la Guardia.)

Do you know how much is now being paid for the lottery privilege and how long it has to run.

With regards to your father,

Sincerely yours,

JOHN G. LYMAN.

Address c/o the above hotel.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 10. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Q. (By Mr. REGAN.) I now show you a letter written on stationery stamped "Hotel Alexandria," dated "Los Angeles, April 14, 1911," and signed "John G. Lyman," and ask you whether you received [213] that letter?

A. I did receive the letter.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 11.

(Said letter so offered in evidence is marked United States Exhibit 11, and is read in evidence as follows:)

U. S. Exhibit No. 11—Letter, April 14, 1911, Lyman to Hernan de la Guardia.

HOTEL ALEXANDRIA.

Los Angeles, April 14, 1911.

Senor Hernan de la Guardia,

City of Panama,

Panama.

Dear Mr. Guardia:

In the event of my sending you some money to make a purchase of some of the Government land along the line of the proposed railroad, which is suit-

(Testimony of Hernan de la Guardia.)

able for the cultivation of sugar, what sort of a provisional deed do I obtain from the Government?

I may desire to make some purchases there and would like to know if you can act for me, providing I send the necessary funds and names of the parties who desire the property. I know, of course, that they cannot transfer the same and that they must be cultivated and fenced within four years, but that they will arrange to do so—if they make the purchase. I shall, of course, expect to pay you a proper fee for looking after this work for me. I want you to know that anything you may do will be suitably paid for. Please let me have an answer to my letter under date of April 8th, at your earliest convenience, addressing care of the above hotel.

Very truly yours,

JOHN G. LYMAN.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 11. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [214]

Mr. REGAN.—I show you a letter written on paper stamped "Hotel Alexandria, Los Angeles, California," dated "April 15, 1911," addressed "Sr. Hernan de la Guardia," "City of Panama, Panama. Dear Mr. Guardia," and signed "John G. Lyman," and I ask you whether or not you received that letter?

A. I received it.

Mr. REGAN.—I now offer this letter in evidence and ask that it be marked United States Exhibit 12. (Said letter so offered in evidence is marked United

States Exhibit 12, and is read in evidence as follows:)

**U. S. Exhibit No. 12—Letter, April 15, 1911, Lyman
to de la Guardia.**

HOTEL ALEXANDRIA.

Los Angeles, April 15, 1911.

Senor Hernan de la Guardia,

City of Panama,

Panama.

Dear Mr. Guardia:—

Referring to my letter of yesterday regarding the purchase of some government land, I believe it is going to be possible to interest quite a number of prospective settlers here, and I think that a company will be formed called the

PANAMA DEVELOPMENT COMPANY

to do this work. Now, should they take it up, they would want a representative in Panama to select the land for them and see that they obtain the proper provisional title, such as the Government gives pending the cultivation of the lands and fencing of same. I have recommended you for that post and I think they would be willing to pay you \$150.00 gold per month for the first six months, and \$200.00 gold per month for the second six months, to take charge of the work in Panama and see that all the work necessary was properly attended to. In addition to this they would want you to rent a suitable office in Panama and pay your clerk hire as well as printed matter and other office expenses. [215] Now, if this is acceptable to you, please cable as follows:

“LYGRANT, Los Angeles. Accepted.” and sign it “Guardia.” and I will at once see that \$500.00 in gold is sent you to pay your first month’s salary and provide you with sufficient funds to rent the office and other incidental expenses. “Lygrant, Los Angeles” is my cable address, and should you wish to cable me at any time use the Western Union Code, which book you will find either at the Western Union Office in Panama, or at the Hotel Tivoli.

I believe this connection should prove very profitable to you, as well as a most desirable thing for Panama, for if some good settlers can be brought in there, it will unquestionably be a good thing for the country. As I understand it, one desiring to obtain government land there can make the proper application through you and upon making the first payment per hectare can obtain any amount desired, and this they obtain a provisional deed to, which cannot be transferred and which is made permanent if they complete the amount of cultivation required and fence the same within four years, which work the Panama Development Co. will undertake to do for them so that when they go to live on their lands they will be at least under partial cultivation. Please read my letters carefully and answer fully on every point, for as it will take some time for our letters to pass, if you fail to answer any questions asked, I shall not know of it for a long time and by carefully answering each letter, it will not be necessary to constantly repeat regarding the same subject matter.

Hoping to hear from you soon, believe me,

Very truly yours,

JOHN G. LYMAN,

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 12. Filed October 12, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [216]

Recital Re U. S. Exhibit No. 13.

Mr. REGAN.—At this time I introduced in evidence a certified copy of the map of Panama issued by the Government. That is obtained from Washington. That will be United States Exhibit 13. This is a map marked "Map of the Republic of Panama. Prepared in the War Department Office of the Chief of Staff, Section *Section*, Washington, D. C., April, 1909. Reproduced in photographic room, war college, Division General Staff. Scale of miles. Authorities: Hydrographic charts, United States Navy Department. Isthmian Canal Commission Maps. Intercontinental railway survey maps. Report of Commissioner T. O. Selfridge, U. S. N. 1870. Report of Commander E. T. Lull, and Lieutenant F. Collins, U. S. N. 1875. Map of Panama by Ponce de Leon and Paz Bogota, 1864, Carte Generale del Isthme Columbien par L. N. B. Weyse, 1885. Representative of the new Panama Canal Company of Paris, 1899, Recognizances by officers of the United States Army, Navy and Marine Corps, 1903 to 1908, War College, Washington, D. C. and September 26, 1913.

I certify that this is a photographic copy of the official map on file in the office of the War College

(Testimony of Hernan de la Guardia.)

Division, general staff, of the War Department, entitled "Map of the Republic of Panama." Signed "C. Crawford, Major 20th Infantry, General Staff. Secretary of War College Division."

Q. Now, I show you a letter written on hotel paper, on Hotel Alexandria paper, dated July 20, 1911, addressed to you, and signed "John G. Lyman," and I ask you whether or not you received that letter? A. I did receive it.

Mr. REGAN.—We now offer the letter in evidence and ask that it be marked United States Exhibit 14. (Said letter so offered in evidence is marked United States Exhibit 14, and is read as follows:) [217]

**U. S. Exhibit No. 14—Letter, April 20, 1911, Lyman
to de la Guardia.**

HOTEL ALEXANDRIA.

Los Angeles, April 20, 1911.

Senor Hernan De La Guardia,

City of Panama,

Panama.

Dear Mr. Guardia:—

I think it was you that spoke to me of a large tract of banana land, consisting of some ten or twenty thousand acres, on the west coast of Panama, down towards Columbia.

How far is this property from Panama City? Is it on tide water or near tide water and is there a harbor there sufficiently large for fruit steamers to dock?

If you know of such a property for sale, please send me full particulars with price. If you know of

(Testimony of Hernan de la Guardia.)

anything near Panama, couldn't your Costa Rico friends that I met there put you in touch with some banana lands that are worth while? Have got a purchaser for a large tract of desirable land; so please let me have particulars as early as possible. Hoping to have answers to my other letters at an early date, believe me,

Sincerely yours,

JOHN G. LYMAN,

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 14. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Whereupon an adjournment was taken until 2 o'clock P. M.

Direct Examination (Continued).

Mr. REGAN.—Mr. Guardia, I show you this letter addressed to you and signed Lyman, dated May 2d, 1911; examine the same and see whether or not you received that through the mail.

A. I received this letter.

Mr. REGAN.—I now offer the letter in evidence and [218] ask that it be marked United States Exhibit 15.

(Mr. REGAN reads U. S. Exhibit 15, which is as follows):

**U. S. Exhibit No. 15—Letter, May 2, 1911, Lyman to
de la Guardia.**

HOTEL ALEXANDRIA.

Los Angeles, May 2, 1911.

Senor Hernan de la Guardia,
City of Panama,
Panama.

Dear Mr. Guardia:

Glad to receive your cablegram and hand you herewith check for \$500. Will you please arrange to secure a suitable office—if you could have half of one such as you now occupy, that would do for the present, and arrange to have all of your letters typewritten, keeping carbon copies of same.

I hope you will go over carefully my letters under dates of April 8th, 14th, 15th, 17th, 20th and let me have a complete answer to all.

If I understand the laws correctly, relative to the method of acquiring public lands in Panama, all that it is necessary to do is to address a petition to the Provincial Administrator of Public Lands (where is his office located—in the City of Panama, or in David?), stating the lands to be desired, and after this petition has appeared in an official gazette and a notice posted in the Administrator's office for 30 days, a provisional title is granted, and then the party who has applied for lands has four years in which to cultivate and fence the same, after which he can obtain a perfect title, on paying, of course, the balance of the purchase price.

Now, for the parties who desire the lands I will

send you their power of attorney, which will enable you to make the application to the Provincial Administrator on their behalf, and the selection of the lands will be left largely to you.

In this connection, would not Mr. Queleuejeu's services [219] be valuable? As he was born in Chiriqui and knows everybody there, it should be possible to arrange through him for some one to select the government lands for us, and then you obtain the provisional title by virtue of the power of attorney, in the names of the parties executing the same.

The next step is to arrange for contract labor to clear the land and put in sugar cane, rubber, orange trees or anything else that may be desired, depending upon the lands selected.

As there is a very fine belt of citrus fruit lands along the Costa Rican border, I think if you could find someone who was familiar with that particular district that I personally would like to put in a lot of oranges there, and will send down a man who is an expert on their culture, when I learn that you have someone who can make the proper selection of lands.

Regarding contract labor, I would advise talking it over with some of the Chinese merchants, as I believe the Chinese coolie labor would be *tge* best, and failing in that, then to get some of the Jamaica niggers, as soon there will be a lot of these free from work on the Canal and it should be easily possible to secure some of the live young engineers who are now

employed on the Canal, to go in the country in charge of a labor party and not only do the surveying, but look after the clearing in a general way.

I am inclined to believe that if a large tract was put in sugar cane, too, it would prove a very profitable investment and if only sufficient acreage was devoted to cane, it would be an easy matter here to secure sufficient capital to put up a mill there to grind the cane, and so the first thing to do is to clear the land and get it into cane and the rest will come about naturally, and when the canal is opened the markets of the whole world will be at your door.

You spoke to me one day of the son of the Secretary of [220] State, who I believe you stated was in the Land Office, and I think it would be highly advisable to engage him to work with us, as he having all of the maps of the country at his disposal and knowing the best sections to take up lands, would be able to advise the best locality to make locations.

I earnestly hope you will appreciate the possibilities the successful results of our labors mean to Panama, for it is an absolutely certain thing that if the most is made of the wonderful agricultural capabilities of Chiriqui, it means not only a benefit to Panama, but a large financial return, to all those interested in the development as well.

As we shall be able to interest all of the capital and right kind of settlers necessary to develop the country, it only remains to secure proper co-operation at your end of the line to make it a huge success, and so I trust you will put your whole soul and attention into the business.

Do not fail to advise me fully as to anyone whom you may arrange with to work for you, and try and get someone whose services will prove of real benefit.

We should also have a representative at David, for the Province of Chiriqui is going to present the greatest opportunities and there is where we shall want to do our first work. When we get things in running order, will send down a large gasoline boat, capable of accommodating a dozen persons, with sleeping accommodations, so that the trip to David can be made as desired and a reasonable amount of comfort.

Take up with the Land Office at once and endeavor to obtain a large map—one showing simply outlines will do—of all the government land in the Province of Chiriqui and particularly along the line of the new railroad, which is open to location, and mark on same, in a rough way, which part is most suitable to the cultivation of sugar cane, coffee lands—that would be [221] around Boquete—citrus fruit lands—that would be around the Costa Rican Border—also lands suitable for rubber, cocoa, as well as timber and grazing lands.

What do you do about timber lands? You can't cultivate those. As I understand, all that is necessary to do with timber lands to hold them is to fence and make trails through them?

What is going to be the approximate cost of surveying and plotting the lands, preparatory to obtaining a provisional title?

Hoping you will read this letter carefully and give me a full answer to same, as well as to the others,

and with warm personal regards, I am,
Very truly,

LYMAN.

Address: In the future to 216 Mercantile Place.
Los Angeles.

And note my cable address is Lygrant, Los Angeles.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S.
Exhibit 15. Filed October 17, 1913. Wm. M. Van
Dyke, Clerk. By C. F. Scott, Deputy Clerk.

“It was here stipulated that all letters introduced,
signed Lyman, John G. Lyman, or John Grant Ly-
man, with the exception of U. S. Exhibit 1, were
signed and sent by defendant.”

“Q. (By Mr. REGAN.) I show you a letter
dated May 11, 1911, addressed to you and signed
‘John G. Lyman’ and ask you whether or not you re-
ceived that letter.

“A. I received that letter.

“The letter so identified was introduced and read
in evidence, marked U. S. Exhibit 17, and reads as
follows:

**U. S. Exhibit No. 17—Letter, May 11, 1911, Lyman to
de la Guardia.**

HOTEL ALEXANDRIA.

Los Angeles, May 11, 1911. [222]

Senor Hernen de la Guardia

City of Panama,

Panama.

Dear Mr. Guardia:

I trust you have received mine of May 2d, with en-
closure of check for \$500.00, and have made tentative

arrangements for suitable offices as therein suggested. Wish you would arrange too, for an office in the city of David, with a local representative who is familiar with the country hereabouts, and one who could locate desirable lands.

Just as soon as I have had an answer from you, covering the points raised in my various letters, will send you a check for \$2,000.00 or whatever funds may be necessary so that you will at all times have sufficient in hand to cover what we desire to have done. I think, too, we will elect you president of the company so that you will have an official title, and will be legally authorized to act on our behalf, which will have the additional advantage, too, of relieving you of any personal liability.

Of course what we want is to put you in such a position that you can legally act for us, and to relieve you of any personal responsibility, which will be accomplished by this, and then if you have sufficient funds to cover any possible expense, you will be free to act and apply on our behalf for such land as we desire.

Cannot you arrange with the Administrator General of Lands or the Provincial Administrator of Lands in Chiriqui, whereby when you make proper application on our behalf for Government lands, say those suitable for the growing of sugar cane or banana lands, that they will select the best lands for us? Of course we would be willing to pay for this service, and any reasonable arrangement you make to that effect with them would be agreeable to us. [223]

I hope you appreciate that our efforts here are *going redound* greatly to the benefit of Panama, as we

shall be the means of bringing some very desirable settlers down there with ample capital to develop the lands acquired, and will do all you possibly can to help us, and I assure you if you will do this that in addition to the salary already promised you will be handsomely rewarded.

As soon as we received advices from you that you can arrange to contract for the necessary labor to develop the sugar lands we desire to take up, and advise, approximately, what the cost will be, will send you all the money necessary to do this work. Have they commenced the erection of that sugar mill yet for which the Government concession was granted?

If so, we would like to obtain some sugar lands in that immediate vicinity. I hope you will consult with your father regarding the various matters brought up in my letters as I feel he can help you a good deal, and when it comes to completing title to the land we would like a legal opinion from him that everything is in order, and for this, of course, we shall expect to pay as well as to any other service rendered.

Now if you will only fully answer all of my various letters, we shall know just how we stand and just what we should do, and you may rest assured that nothing here will be left undone to make this business a complete success and to start the development there, which would result in a decided benefit of all concerned.

With warmest personal regards,

Most cordially yours,

JOHN G. LYMAN.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 17. Filed Oct. 17th, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Dpty. Cl. [224]

A letter dated Los Angeles, May 16, 1911, on letter head of Panama Development Company, signed "John G. Lyman," was identified as having been received by the witness, was introduced and read in evidence and marked U. S. Exhibit 18, said letter reading as follows:

U. S. Exhibit No. 18—Letter, May 16, 1911, Lyman to de la Guardia.

"Los Angeles, May 16th, 1911.

Mr. Hernan De la Guardia,

City of Panama,

Isthmus of Panama.

Dear Mr. Guardia:

As we understand the matter, the Articles of Incorporation of the Panama Development Company must be filed with the Secretary of Panama before we can transact business in the Republic; therefore you will kindly take the necessary steps to have this done, advising us at the same time just what was required in order to transact business there under our charter.

Very truly yours,

JOHN G. LYMAN.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 18. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk."

The witness then identified as having been received by him a letter dated Los Angeles, May 16, 1911, on letter head of Panama Development Company, signed "John G. Lyman," said letter was offered and read

in evidence, marked U. S. Exhibit 19, and reads as follows:

U. S. Exhibit No. 19—Letter, May 16, 1911, Lyman to de la Guardia.

“Los Angeles, May 16th, 1911.

Mr. Herman De la Guardia,
City of Panama,
Isthmus of Panama.

Dear Mr. Guardia:

In order that you may properly open a bank account, contract [225] in the name of the company, and transact such other business as may be required, you have been elected President and Director of the Panama Development Company, and we hand you herewith a formal notice to that effect; likewise certified copy of Charter, which we take it, must be filed in Panama in order to do business there.

We would suggest your doing business with the International Banking Corporation, as they are represented on the Pacific Coast, and then, if desired at any time, we could deposit money to your credit here, so it would be instantly available by you. Just as soon as you are properly established we will give you sufficient so that you will at all times have at least a \$2,000 credit balance at the bank, as we want you to have something to go on with in whatever way may be necessary.

It certainly does take a long while to get an answer to letters, for it is more than six weeks ago since I wrote you the first time.

We think well, too, of having an Advisory Board in Panama for you to consult with, and we have ap-

pointed your father and Mr. Quelquejeu to act with you, so that if any question of policy comes up, your combined judgment should lead you in the right course. We have written them that so far as compensation is concerned, whatever sum they deem proper we shall be willing to pay. It is probable at the start they will not be called upon to any great extent, so that their compensation can be satisfactorily arranged before it becomes necessary to make a serious draft upon their time. So far as they are concerned, we hope chiefly they will aid you in advising when it comes to making contracts for work in clearing lands, and advising the best method of procedure to securing best results.

We are in touch with one of the greatest experts in the sugar line there is in the country, and believe that with a sufficient [226] amount of land put into cane, that can be made a very profitable industry, so that will be one of the very first things we shall want to take up, yet we shall want to go slow until we are sure we are on the right track.

Now we think with the papers sent you, that you will be in a position to do everything that may be required without having your authority questioned, and as an official of the Company, this, of course, relieves you from all personal responsibility, which we do not ask or expect you to assume.

I hope you have answered all my letters in detail, and hereafter please address all of your correspondence that refers to the business of the company, direct to the Company, and anything that is private or personal, to me.

I am very certain that we are going to meet with great success if we have the proper assistance at your end of the line, and so I trust you will do your best, as it cannot fail to prove advantageous to all concerned.

With sincere regards, I remain,

Most cordially yours,

JOHN G. LYMAN.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 19. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.”

The witness then identified as having been received by him a letter dated Los Angeles, May 27, 1911, on letter-head of Panama Development Company, signed “Lyman.” Said letter was offered and read in evidence, marked U. S. Exhibit 21, and reads as follows:

U. S. Exhibit No. 21—Letter, May 27, 1911, Lyman to de la Guardia.

“Los Angeles, May 27, 1911.

Mr. Hernan de la Guardia,

City of Panama,

Isthmus of Panama. [227]

Dear Mr. Guardia:

Your welcome letter under date of May 16th at hand, and contents noted.

You have doubtless received my answer to your cable, together with the \$500.00 remittance sent you.

Regarding a map of the proposed railroad; we have already received that from the Government at Washington.

Regarding the taking up of lands; that can be arranged without any difficulty, by your acting under a power of attorney, as has already been arranged for, and the cultivation of same can be taken up any time within four years.

The provisional title given you would be just as good as though given to somebody else, so long as you execute a power of attorney and agree to turn it over.

I think we will send someone down to work with you at an early date. Just as soon as I hear what bank you will do business with, and I take it it will be the International Banking Corporation, a credit will be opened for you there, so that you will have money to go on with for whatever work we wish taken up.

It may be well later on, as you say, to incorporate a company at Panama, and have each share of stock represent a certain amount of land, but I think so long as the provisional title is taken in your name, and you turn it over, together with the complete title, at the end of four years, or whenever the land shall be cultivated, that would answer very nicely.

We have already sent you the Articles of Incorporation for the above Company, together with all necessary authority, so that you can register same and open a bank account and contract on behalf of the Company up to an indebtedness of \$5,000 without submitting it to this office. Thus, you see, you are given a great deal of freedom.

We think it would be well if your father and Mr. Quelquejeu [228] would meet with you once a

week and consider whatever we want done, and if they would give this time to it, we would be glad to give them each \$500.00 (Gold), per annum, and should they be called upon to give more than one or two hours a week to the business, will pay them accordingly, as it is not a question of money with us, but of getting the best results.

There is no doubt whatever but that there is going to be a great development in Panama, and we want to aid and profit by it. This can best be done through a company which has ample resources. We are starting off with \$50,000 (Gold), and can get as much more as we may desire.

Shall be glad to have full particulars regarding the banana proposition.

Am glad to learn that you are feeling better.

You may expect to see me down there again before long.

With sincere regards, I am,

Very truly yours,

LYMAN.

With sincere regards, I am

Very truly yours,

LYMAN.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 21. Filed Oct. 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk."

These letters are replies to the letters sent by Lyman to the witness, and are letters which I understand were taken, some of them, or possibly all of them, even before the defendant was arrested, with-

out search warrant, or without process or authority of law—and taken from the office of the corporation.

Mr. REGAN.—They were taken at the time the defendant was taken into custody.

Mr. SCHENCK.—That is addressed to the defendant from the witness, is it? [229]

Mr. REGAN.—Yes, and I will now introduce the same in evidence and ask that it be marked United States Exhibit 20. (Letter received in evidence is marked United States Exhibit 20, and is as follows):

U. S. Exhibit No. 20—Letter, May 16, 1911, de la Guardia to Lyman.

Panama, May 16th, 1911.

Dr. John G. Lyman,
Los Angeles, Cal.

Dear Dr. Lyman:—

I am answering every letter from you to date and shall be as brief as possible.

I beg first to say that I have not received an answer to my cablegram of April 28th, and therefore cannot devote my time to your affairs as that would undoubtedly mean the loss of my position.

Letters of March 30th and Apl. 8th.

A map of the proposed railroad is only obtainable on a deposit of \$25.00, and a rough sketch could not be accurate and therefore would be of no value. I have not received the Charter of the concession you would like to obtain here.

To know the exact location of the property with regard to the proposed railroad I must have a map of same.

I must state that in order to buy any property in this country, and get what you are looking for, at a reasonable price, it is necessary to personally inspect the property; and I could not do that without incurring expenses.

Paitilla (that is the name of the point of ground opposite the city) has 400 hectares and they want 100,000 dollars for it. It is within the Zone limits but will be in Panama Territory after a permutation which is now being negotiated between Panama and the canal Zone Government.

The Lottery privilege is good for fifty years yet.

The owner of that property in San Carlos (the property on [230] which you wanted an option) will not accept anything under \$80,000 for the whole property and will not accept an option on 5000 acres.

Letters of April 14th and 15th.

In order to buy Government land in Panama it is necessary to be domiciled in the Republic or in other words to be a resident. Therefore you could not get a provisional title. The only way out of it would be for me to buy the land in my name and turn it over to you at the expiration of five years or before that time "provided that four-fifths of the land taken up is cultivated." Such an arrangement (I refer to the law) seems to me most inconvenient for a land dealer, as it is impossible to induce people to take up land without any title to it and only with the mere promise of getting one after having cultivated practically every inch of it.

Another way would be to incorporate the Com-

pany in Panama and in that way you could dispose of the land in the way of shares.

By the above said you will readily see that I cannot buy public land for parties in the States, as they are nonresidents.

In case you succeed in bringing about the formation of the PANAMA DEVELOPMENT COMPANY I think it will be advisable and not only advisable but necessary to incorporate the company here.

The law provides that no more than twenty thousand hectares can be obtained by a single individual or company.

The public lands of Panama are divided into two classes. The *indultadas* (which belong to the Municipalities), and the *baldias* (which belong to the National Government.)

Both are sold by the Government but they have different price.

The *indultadas* are worth \$0.50 per hectare the first 100 hectares, and the price increases 5 cts. per hectare on every [231] additional 100 hectares. The *baldias* have a flat value of \$2.50 per hectare, but only half its price is required to obtain the provisional title, the other half payable before obtaining the permanent title.

Both classes of land are subject to the clause of cultivation. I wish to state that the lands adjoining the proposed railroad are nearly all *indultadas*. The *baldias* or National lands beginning in the point of Chame and running south towards Colombia.

Letters of the 17th and 20th.

Have seen Mr. Quelquejeu and he said he would write recommending me as your representative. The reason I have not answered your letters before is that on account of sickness I had to undergo a slight operation and was too weak afterwards to attend to business.

With regard to banana land I have been offered a property which will, I think, suit your case perfectly, only I am not in possession of full particulars yet. But will write to you extensively on the matter in two or three days' time.

Hoping to hear from you soon, I remain,

Yours sincerely,

H. de la GUARDIA.

I have inside information that leads me to believe that the railroad is going to be started soon, the contract to be awarded within two months.

H. G.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 20. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter dated May 31, 1911, signed "Lyman" as having been received by him; said letter was introduced and read in evidence, and marked U. S. Exhibit 22, and [232] reads as follows:

**U. S. Exhibit No. 22—Letter, May 31, 1911, Lyman
to de la Guardia.**

“HOTEL SEMLOH,

Salt Lake City.

Semloh Hotel Co., Proprietors.

May 31st, 1911.

Hernan de la Guardia,

City of Panama,

Republic of Panama.

Dear Mr. Guardia:

With further reference to yours of May 16th, things have been moving on a pace since I last wrote you, and in a most satisfactory way. We have arranged with one of the principal men of the United Fruit Company who has been in charge of their plantations in Costa Rica and Bocas del Toro for ten years past to come with us, and he will probably have charge of our banana plantations.

We have also arranged with an expert sugar man from Cuba to take charge of a colony and sugar estates which we shall probably establish at Agua Dulcia, province of Cocle, providing he likes the look of the ground when he gets down there.

We have also arranged with an expert citras fruit man to establish a citras fruit plantation up above David, near the Costa Rica line. As all of these men are familiar with conditions in Panama, it will be possible for them to act under a power of Attorney for others, and in connection with you, so we feel we have made excellent progress.

We propose charging \$5.00 an acre for the land,

which is a fair price when you consider that we are going to survey it and lay it out for the colonists in addition to selecting it for them, and as we sell it with the privilege of their having their money returned to them at any time within a period of two years, no one can complain of their not being treated fairly, or paying more than they should pay. Our idea is to establish several [233] American colonies in different parts of the country as near transportation as possible, and to take charge of the preliminary development work which will be under the charge of an expert. We feel that by proceeding in this manner we shall obtain the very best results, and no one can have cause to complain, which they might have if we sold them land and then left them to shift for themselves. We start off with cash capital of \$50,000.00 gold and have fifty thousand more pledged if necessary, so you see we are in a sound position.

Our representative who will have charge of the Citrus Fruit work will probably make his headquarters in David and will look after our business there, which will not be much, as we expect to do most of it here and possibly there will be some callers in Panama. Should anyone call on you and wish to purchase land you can contract to sell them as many acres as is desired at \$5.00 per acre, payable $2\frac{1}{2}$ dollars down and $2\frac{1}{2}$ in four years. You can say to them if they wish sugar land we will establish them at our proposed colony in Cocle or if citrus fruit land, then up west of David, and state to them that if they are dissatisfied with the selec-

tion of land we make for them, that we will return the full amount paid at any time within two years. By giving them this length of time, it will give them an opportunity to see exactly what we propose doing, and then those who are dissatisfied can withdraw without loss to themselves. I don't believe you have any conception of the development that is going to take place in Panama as the result of building that new railroad in connection with the Canal, but a little consideration given the matter will show that it is not only going to prove a great thing for Panama but for everybody interested in the work, providing it is done properly, and that is what we are aiming to do.

I had a nice letter from Mr. Quelquejeu, who offered to help us in every way possible, and we shall be very glad indeed [234] to avail ourselves of his services and in connection with your father and yourself should constitute an Advisory Board, which should successfully solve any problems that may come up.

Now, as to their compensation for their services we should be glad indeed to pay any sum which they think proper, and please take this up with them without delay, so that they may not feel that their time is being trespassed upon without proper pecuniary reward.

As I have already written, the War Department at Washington has supplied us with a fine map of the new railroad.

Regarding the taking up of Government land,

it will be all right to buy it in your name and turn it over to any one we may desire within the four years or after we have had four-fifths of it put under cultivation.

I have already sent you the certified copy of the Articles of Incorporation of the PANAMA DEVELOPMENT COMPANY, which please have registered in Panama so that we can transact business there. You have also been given requisite authority to enable you to open a bank account and make contracts on behalf of the Company, and I trust, too, by this time you have received the five hundred dollars sent you, and just as soon as you advise us that you have everything in shape to do business, we will send you further funds, so that you will at all times have money to go on with.

Please send full particulars about that banana property that you had offered to you. Will let the matter of Paitilla drop until I come down. Am sending a copy of this letter via. San Francisco, also New Orleans. Please advise which one arrives first.

With warmest regards to your father, and hoping you will give this business the serious attention it deserves,

I remain,

Most cordially yours,

LYMAN. [235]

P. S.—Continue to address me 216 Mercantile Place, Los Angeles, Cal.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 22. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.”

The witness identified a letter as having been written by him; said letter was introduced and read in evidence, and marked U. S. Exhibit 23, and reads as follows:

**U. S. Exhibit No. 23—Letter, June 15, 1911,
de la Guardia to Lynn.**

“Panama, June 15th, 1911.

Mr. E. A. Lynn,

Secretary Panama Development Company,
216 Mercantile Place,
Los Angeles, Cal.

Dear Sir:—

I am in receipt of the money sent me in the first remittance which as you probably know was a check for \$500 dollars drawn on the First National Bank of that City and had to be sent back for collection.

The money arrived here on the 7th inst. and I immediately started for the country to inspect a property in the Chorrora District. Not returning until today I have to make haste in order to catch the mail. By next mail I shall give you detailed information as to the property which is excellent land for sugar cane. I intend to secure an office just as soon as find one suitable. In the meanwhile I am attending to business from my house and have resigned my position with the Panama Gov-

(Testimony of Hernan de la Guardia.)

ernment in order to devote myself entirely to the Company's business.

Yours truly,

H. de la GUARDIA."

Q. (By Mr. REGAN.) Was that land in the Chorrera district private land or government land?

A. Private land. [236]

Q. Mr. Guardia, showing you letter dated Panama, 117 Central Avenue, June 21, 1911, addressed Mr. E. A. Linn, Secretary Panama Development Company, and signed "H. de la Guardia," I ask you whether or not you wrote that letter and mailed it?

A. Yes, sir.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 24.

(Said letter so offered in evidence is marked United States Exhibit 24, and read in evidence, and is as follows):

U. S. Exhibit No. 24—Letter, June 21, 1911, de la Guardia to Lynn.

Panama, 117 Central Avenue,

June 21, 1911.

Mr. E. A. Lynn, Secretary,

Panama Development Company,

216 Mercantile Place,

Los Angeles, Cal.

Dear Sir:

I am answering the letters addressed to me by Mr. Lyman according to date, as he instructed me in one of them to address all business correspondence to

you as the secretary of the Company, and I take it that you are familiar with said letters, or that you have copies of same.

LETTER MAY 2d: I have secured an office, located as per heading, which costs \$25.—per month. It is situated in *every* prominent street, and is furnished, which saves the Company the expense of buying furniture. I have also rented a typewriting machine at the rate of \$6.—per month until you send me one, or instruct me to buy one. I typewrite all letters, keeping carbon copies of same as directed. The office has no telephone connection, but I do not require one at present. Any further expense, such as sweeping the office, writing material, postage, etc. I shall give you an account of later on.

I have answered fully the letters of April 8th, 14th, 15th, 17th and 20th.

I beg to state that I have been to see the Administrator General of Lands, and also the Acting Secretary of Fomento, trying [237] to obtain a map of the public lands of the Republic, and especially those located near the Panama-David R. R.; and I was informed by them, that, although the laws provide that a map showing the public lands be made up, no map of this kind exists as yet; and that the only way to get public lands is to go into the country and locate the lands; then get three affidavits before the municipal judge, from persons residing in the district where the land desired is situated. (The affidavit should be a statement to the effect that they do not know of any owners to the lands involved, and that said lands are public.) After that a petition is addressed to the

Provincial Administrator of Lands, stating the lands wanted and the boundaries of same, also their approximate extension (just a matter of form) and attaching the affidavits. After that the petitioner has to pay for the publication of the petition at the rate of 5c per word.

When the lands demanded have been surveyed by the official surveyor, the administrator notifies the petitioner in order that he may see the map of the same, and if he finds it satisfactory (the petitioner is entitled to make some alterations) he pays the cost of the provisional title at the rate of \$1.25 per hectar.

The surveying of the lands claimed is done by the official surveyor, and the expense incurred is charged to the petitioner.

In case of protestation (which often occurs, as there are squatters located on public lands) it is necessary to enter legal proceedings, which necessitates legal advice. As to the legal advice referred to, I have engaged Mr. Dario Vallarino, who is a capable lawyer, for the purpose of consulting him, and for any further legal work which we may find necessary to take up. Mr. Vallarino's salary I have arranged as \$50.—per month, subject to your approval. I feel that we shall have a great deal of legal work when we begin to take up the lands.

With regard to the lands for planting sugar cane, I will [238] say that according to the opinion of experts here, sugar cane can be planted at the rate of \$75.—to \$80— per hectar; that includes the clearing and planting up to the first cut. At that rate contracts could be obtained for planting. This is,

of course, under present conditions, as very few laborers are available, and the contractors or the Company would have to bring them from the West Indies. Perhaps those conditions could be improved and much money saved by using modern machinery, such as stump pullers and steam ploughs.

I have received the Articles of Incorporation of the Panama Development Company; but before the Company can be registered in Panama it is necessary to have the charter (which I am returning you under separate cover) authenticated by the Panama Consul in San Francisco.

I need the minutes of the meeting of the Board of Directors at which they elected me President and Director of the Company, if I am to act as such; and a Power of Attorney issued by the officials of the Company and sworn to before a Notary Public, of Los Angeles, if I am to act as representative of the Company, and both documents must be authenticated by the Panama Consul in San Francisco.

The registration fee in Panama is 20c per \$100—which for the Panama Development Company, incorporated for One Million Dollars would amount to \$2,000. To this will have to be added the cost of translation of the Charter, which must be done by the Official Translator, and the notarial fees, which will make a total of about \$2050.—

I have been to see Mr. Fearon, the manager of the International Banking Corporation, and showed him the Charter of Incorporation of the Company, as well as the resolution of the Board of Directors in which they elect me President and Director of the Company

also authorizing me to open a bank account in the [239] name of the Company for the sum of \$5,000—gold, for the purpose of transacting the Company's business. Mr. Fearon told me that a regular power of Attorney is necessary in order to open such an account; he also inquired whether the Company had already acquired any properties here. He further suggested that the Company also deposit a sum of money to my credit with their branch in Los Angeles, whereby the Company could save greatly in exchange.

As to the approximate cost of surveying the lands prior to obtaining the provisional title, this is comparatively small, as the government only charges for the transportation and living expenses of the surveying party, and for the making of the trails.

As you may see by the foregoing statements I am in a position to act for the Company as soon as you return me the Charter of the Company, duly authenticated, as I have already pointed out, accompanied by a full power of attorney, certified to by the proper authorities, together with the minutes of the meeting as stated above.

Of course, I expect that you will see to it that the \$5,000—are paid in to the International Banking Corporation in Los Angeles, to my order here, as I estimate this to be the least amount that I need in hand for the proper carrying on of the Company's business, as the registration of the Company alone will cost over \$2,000—in gold. Of course, I propose to give you a detailed account of all expenses incurred.

I have made no arrangements with the Administrator General of Lands, or the Provincial Administrator of Lands in Chiriqui, with a view of engaging their services in locating the lands for the Company, as it is not in keeping with the law and would not result in any benefit to the Company.

It seems to me, that, as you say in your letter dated May 31st, that it is not advisable to engage labor to develop sugar [240] lands, or to contract for the planting of sugar cane, until a good tract of land has been acquired.

They have already brought in to Agua Dulce the sugar mill and machinery, for which a government concession was granted.

As to obtaining sugar lands in the vicinity of Agua Dulce, I do not think it advisable for the reason that the lands there are not the best kind for sugar; and the Company settling there is only doing so on account of the many concessions granted them besides the land.

I have not been able to consult with my father regarding the various matters brought up in your letters, as he is now away in the States and will not return for some time.

Your letter of May 16th with regard to filing the Articles of Incorporation with the Secretary of State has been replied to on page #3 and #4, where I also advised you as to what is required in order to transact business under said Charter.

With regard to having an advisory board in Panama to consult with, I have to say that Mr. Quelquejeu told me that he had written, advising you of

(Testimony of Hernan de la Guardia.)

his trip to Europe; and with regard to my father I shall not be able to advise you of his acceptance until he returns.

I am sending you under separate cover a copy of the various laws, issued by the National Assembly during its last session, in which you will also find the concessions granted the Agua Dulce people. The booklet is in Spanish, but I think you will have no difficulty in having it translated.

I shall give you full particulars with regard to the Banana proposition in my next letter, which will be in about four days, when I shall also submit to you a project of a concession which could be obtained from the Government here, as it is based on a similar contract as that granted to another concern, and which [241] I think will prove interesting to you.

Yours truly,

H. de la GUARDIA.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 24. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

I did not ever register the Panama Development Company in Panama.

Q. Did Mr. Fearon ever authorize you to say that he would be a member of the advisory board of the Panama Development Company?

Mr. SCHENCK.—I object to that as hearsay.

(Discussion.)

Q. Of the money that was received by you from Mr. Lyman, did you pay any to Mr. Quelquejeu or to your father or to Mr. Fearon?

(Testimony of Hernan de la Guardia.)

A. No, sir.

Mr. SCHENCK.—We object to that as immaterial.

The COURT.—Objection overruled.

A letter dated Los Angeles, June 23, 1911, signed "Panama Development Company, By L. R. Smith," was offered in evidence as U. S. Exhibit 25, and reads as follows:

U. S. Exhibit No. 25—Letter, June 23, 1911, Panama Development Co. to de la Guardia.

Los Angeles, June 23, 1911.

Mr. Hernan de la Guardia,
Avenida Central, No. 16,
Panama, R. P. Panama.

Dear Mr. Guardia:

Our Mr. Ryan, who is an expert *propiculturist* sails next week for Panama, will bring you down some stationery, which you can use temporarily until you have some of your own office addresses printed thereon.

We would suggest that to all inquiries you may receive from [242] States, in order to avoid any confusion, you write them along the lines of the letter enclosed herewith, otherwise we should not be able to handle these matters successfully, it requiring so long for our letters to pass.

We think it would be well for you to have a small advertisement, like the enclosed, appear in the Panama papers say twice a week, with your local address thereon, when your office is once established, as

there are a good many tourists coming to Panama, and doubtless you could sell considerable land, which Mr. Ryan should arrange for the developing of should the parties so desire. You can take this matter up with him on his arrival, as it is merely a suggestion to be carried out, if you think well to.

Very truly yours,

PANAMA DEVELOPMENT COMPANY.

By L. R. SMITH.

(Enclosure:) Dear Sir:

Replying to your inquiry regarding Panama lands would say that you can obtain all the information desired at the office of the Company, 216 Mercantile Place, Los Angeles, California.

This office is only an executive office, and we cannot undertake to answer general correspondence, which can be taken care of much better in Los Angeles, where we assure you you will meet with every courtesy.

Very truly yours,

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 25. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him; said letter was introduced and read in evidence, marked U. S. Exhibit 26, and reads as follows:

(Testimony of Hernan de la Guardia.)

**U. S. Exhibit No. 26—Letter, June 23, 1911, Panama
Development Co. to de la Guardia.**

Los Angeles, June 23d, 1911.

Mr. Hernan de la Guardia,

Avenida Central, No. 106,

Panama, R. P., Panama. [243]

Dear Sir:

This will introduce to you Mr. E. D. Ryan, who comes to Panama to take charge of our developing work there. Any courtesies or services you may render him will be greatly appreciated, and we trust you will be able to work together to our joint benefit and satisfaction.

Very truly yours,

PANAMA DEVELOPMENT COMPANY,

By JOHN REDPATH.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 26. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Q. Showing you U. S. Exhibit 26, did Mr. Ryan present that letter to you?

A. Mr. Ryan did present it to me.

The witness identified a letter as having been received by him; said letter was introduced and read in evidence and marked U. S. Exhibit 27, and reads as follows:

**U. S. Exhibit No. 27—Letter, June 23, 1911, Panama
Development Co. to de la Guardia.**

Los Angeles, June 23, 1911.

Mr. Hernan de la Guardia,
Avenida Central, No. 16,
Panama, R. P. Panama.

Dear Mr. Guardia:

Your favor of June 15th at hand and contents noted.

Mr. Ryan, who for ten years was connected with the United Fruit Company at either Bocas Del Toro or Costa Rica, is sailing on Wednesday next from San Francisco, and will be in Panama about the 20th of July.

He is to take charge of our developing work there, and should prove a very valuable man for that purpose. Please render him every assistance possible.

He will inspect that property in the Chorrora District [244] which you speak of, with a view of purchasing some for our own account, should it seem desirable. He will also go up to Agua Dulce and David, and will make a general tour of observation of the country, with a view of locating and developing some of the more desirable sections.

Please post him thoroughly as to the requirements necessary in making application for lands on behalf of other people.

Shall hope to hear from you fully shortly in answer to the various letters sent you; also regarding this property you speak of in the Chorrora District,

as well as to the banana lands, which you have heretofore mentioned as being located on the Savannah River.

Just as soon as you advise us if you have arranged with the International Banking Corporation, we will place to your credit here, with that Company, ample funds to take care of everything that may be required.

With sincere regards, I am,

Yours very truly,

PANAMA DEVELOPMENT COMPANY,

By LYMAN.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 27. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him through the mail and said letter was introduced and read in evidence, marked U. S. Exhibit 28, and reads as follows:

U. S. Exhibit No. 28—Letter, July 5, 1911, Panama Development Co. to de la Guardia.

Los Angeles, July 5, 1911.

Mr. Hernan de la Guardia,
117 Avenida Central,
City of Panama.

Dear Sir:

We sent you a package of stationery a few days past by [245] mail, and trust you will receive same in due time.

Kindly address your correspondence to the Pan-

aman Development Company, and not to Mr. E. A. Lynn.

Yours very truly,
PANAMA DEVELOPMENT COMPANY,
L. R. SMITH,
Secty.

S/C.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 28. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him, and the same was introduced and read in evidence, marked U. S. Exhibit 29, and reads as follows:

U. S. Exhibit No. 29—Letter, July 10, 1911, Lyman to de la Guardia.

Los Angeles, July 10, 1911.

Mr. Hernan de la Guardia,
City of Panama,
Republic of Panama.

Dear Mr. Guardia:

Have not heard from you in some time, but am expecting a letter each day.

Believing that you may soon require some money, I am sending you herewith check for \$1,000. and wish when Mr. E. D. Ryan arrives, you would give him anything up to \$500, which he may require, which he will duly account for to the company.

You may expect to see me down at Panama before very long. Am glad to say everything is going well with the Development Company and the work they

are doing here should certainly prove a great benefit to the Republic. As a result of their efforts a large number of the very best Colonists are going to Panama to locate.

With very best wishes and my compliments to your father, [246] believe me,

Most cordially yours,

LYMAN.

P. S.—Is there anything I can bring down to you when I come? Enc.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 29. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By. C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him and the same was introduced and read in evidence and marked U. S. Exhibit 30, and reads as follows:

U. S. Exhibit No. 30—Letter, July 11, 1911, Panama Development Co. to de la Guardia.

Los Angeles, July 11, 1911.

Mr. Hernan de la Guardia,
City of Panama,
Republic of Panama.

Dear Sir:

Your lengthy letter of June 21st just at hand is greatly appreciated, covering as it does many points on which we desired elucidation.

Am glad to note you have a satisfactory office and you better continue to rent a typewriting machine until some one comes down from this office and brings a new one, strictly up to date.

As already advised, we have an excellent map of the Republic, showing the line of the new railroad and now if we can obtain with same a general map showing the public lands of the Republic, open to location, it would be greatly appreciated, and as soon as one is prepared, we trust you will be able to obtain it for us.

We note that you have engaged Mr. Darlo Vallarino for the purpose of obtaining competent legal advice and have arranged his salary at \$50 a month, which is quite satisfactory to us. [247]

Note your remarks as to the cost of planting lands in sugar cane which are borne out from reports received from other sources, and without a doubt Mr. Ryan will arrange for contracts as soon as he has had an opportunity to look over the ground and decide how best to proceed.

After learning the cost of registering the Panama Development Company in Panama, we think it would be very unwise to register this company there, as really no useful purpose would be gained by so doing, and we think it would be much better to (in pencil) *incorporate* organize a small company called "The Panama Development Company" with an authorized capital of \$5,000, under the laws of the Republic of Panama, and would suggest that you have Mr. Darlo Vallarino prepare the necessary papers for that purpose naming as the officers, you as President, and your father and Mr. Quelquejeu as co-directors, paying them, of course, such compensation as they feel they are entitled to. You might, too, name one or two of the directors of this com-

pany as codirectors, if the laws of Panama permit of that, although this is not essential. Meanwhile you can act as President and Director of this American Company, as our laws permit of this, and we will send you in due course the minutes of the meeting of the Board of Directors, authorizing you to act as President and Director of this company, sworn to before a Notary Public, and the minutes authenticated to before the Panama Consul, in San Francisco, California.

By the way, do you know the name of the Consul General from Panama, located in London, and if you do not know his name, can you give us the address of the office?

The International Banking Corporation have no office in this city, but they may have an agent, and if you will kindly obtain his address for us, it will enable us to deposit money to your credit through him, so that it will reach you without delay. [248]

After you have incorporated the small Panama Company, as previously suggested, it will not be necessary for you to obtain any papers from us, to open a banking account, as you can do everything there, and any properties that we acquire, will be taken in the name of the company. As you are probably aware, it is a common occurrence for American Companies, which hold property in South American Republics, to do this in the name of some small local company, whose capital stock is largely owned by the larger company, which is to be done in the present instance.

We are inclined to believe that Mr. Ryan under

your and Mr. Vallarino's instructions—so far as the legal end is concerned—will be able to secure for us some very desirable lands, as he is an expert in tropical agriculture and is thoroughly familiar with every part of Panama, knowing its soils and timber lands, so we shall leave the selection of the lands entirely with him, as well as to give him considerable leeway in making contracts, and what we hope and expect you to do, is to see that everything is attended to in a legal manner.

We are glad to note that the sugar mill is now under construction at Agua Dulce, and we are inclined to believe from all reports that we have had, that that is going to be a very large town and will prove an excellent sugar district.

When do you expect your father to return from the States and Mr. Quelquejeu to return from Europe?

We thank you for sending us copy of the various laws, issued by the National Assembly, which the writer thoroughly understands, as I speak Spanish.

Shall be glad to receive from you the particulars about the banana proposition, as we think that is going to prove a very profitable business on the west coast.

Again thanking you for your most interesting letter, and assuring you of our earnest desire to work in hearty co-operation [249] with you, believe us to be,

Yours very truly,

PANAMA DEVELOPMENT COMPANY,

By L. R. SMITH.

McD.

P. S.—In future kindly address all correspondence to the company.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 30. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been written and mailed by him, said letter was introduced and read in evidence, marked U. S. Exhibit 31, and reads as follows:

U. S. Exhibit No. 31—Letter, July 12, 1911, de la Guardia to Lyman

Panama, July 12th, 1911,
117 Avenida Central.

Mr. John G. Lyman,
c/o Panama Development Company,
216 Mercantile Place,
Los Angeles, Cal.

Dear Sir:

I am in receipt of your letter of May 31st and am glad to see that you are making considerable progress at your end of the line.

I wrote a lengthy letter to Mr. Lynn under date of June 21st taking up all the questions raised in your various letters since May 2d, and I take it that you, being the organizer of the Company and being also intimately connected with it, must be acquainted with said letter and therefore I do not deem it necessary to go over the same points with you. And I believe, furthermore, that any correspondence addressed to you by me will be known to him and vice versa. However, I address this to you as I want to

take up a matter somewhat private but which you can make known to the company at your discretion.
[250]

As the taking up of public lands here on a big scale is a matter that involves no small trouble and difficulty (explained in letter of June 21st) I want to point out to you the convenience of obtaining a big land grant by means of a contract of colonization entered into with the Government.

With that end in view I want you to point out to the Officials of the Company the absolute necessity there is of having the company registered here and of paying in the registration fee (See letter of June 21).

The concession I propose obtaining is based on the one I am mailing you under separate cover (a copy of it goes registered) which you can have translated there from the Spanish.

As you see that is a most advantageous franchise. Of course I expect you to see to it that the Company furnishes me with all the money necessary to put it through, and also that when, once obtained, I shall have a fair participation.

With regard to the banana proposition, I dare say that I hardly think it worth considering (this with reference to the private property in the Bayano District). I am sending you a rough sketch of the property as given to me by the owner. You may see by it that it is very indefinite data and there is no exact idea of its area, only an estimate of \$20,000 acres. The price is also too high, \$50,000 dollars.

I have also been informed that in the Bayano

District, where the property is located, the titles are all tied up due to some concessions made by previous Administrations to different parties over the same ground.

With further reference to bananas I will say that I was to see the Provincial Administrator (for the Province of Panama) and he informed me that there is any amount of available public lands of the best quality for banana growing and also for sugar cane in the Darien District along the Tuira River but specially [251] along the Sabana (both navigable).

I am only expecting the banana expert and also the sugar expert to come and see the lands.

In the Tuira section a railroad is going to be built, a franchise having been granted for that purpose to an English syndicate.

My father is just back from a trip to Washington, where he went on a political mission, and he requests me (he is writing by this or next mail) advise you of his acceptance of the appointment you have made on him as a member (Director) of the advisory Board which is to operate down here on behalf of the Company, and that he will act in that capacity as soon as the Board is fully constituted.

That he will aid the Company in everything possible and legitimate because he believes that by so doing he will further the interests of the country.

He further *suggest* that you appoint Mr. Fearon, the manager of the International Banking Corporation here, as one of the Directors in place of Mr. Quelquejue (who is now on an extensive tour through

Europe), My father thinks that Mr. Quelquejue's services would be very valuable to the Company and could be secured upon his return.

It would also be good if you could come down on a visit as you suggest. Then we would be able to take up many questions together, and that would help things greatly.

By my letter under date of Jun 21st to Mr. Lynn you will see that I was over to see Mr. Fearon, the Manager of the International Banking Corp. and also what he said to me with regard to opening a bank account on behalf of the company. I feel that \$5000 gold is the least amount I need in hand to carry out your instructions (as explained in letter of June 21st.)

I would like you to note that one of the great advantages [252] that concession would bring about would be the formation of a town, as it is provided in it that the concessionary (grantee) furnish the Government with the lots necessary for public buildings.

By laying out a town the city lots would bring handsome prices.

I find it needless to say that the appointment of Mr. Fearon as one of our Directors would facilitate greatly our business with the Bank, and in our dealings with the Government, my father can well take care of that end.

I have not as yet had anybody apply to me for lands but I will *carry your* instructions to the letter.

Together with my letter of June 21st I sent the Articles of Incorporation of the Company to be

authenticated by the Panamanian Consul in San Francisco.

With regard to my running expenses here I must say that they are limited for the present to the office rent, the office expenses and my salary.

The latter I began drawing since April 28th, the day in which I cabled you accepting the position you offered me in your letter of April 11th.

You will see by this that I have drawn the salary two months and part of the third month, and have very little cash in hand to go on with as the only money I have received as yet is your draft for \$500 dollars payment of which I received on June 7th.

Referring to the copies of your letter of May 31st I will say that the copy that came via New Orleans reached me about 8 days before the one by Frisco.

Expecting to have an early answer to the various points raised in this letter and wishing you the best of health, I remain,

Yours respectfully,

H. de la GUARDIA [253]

P. S.—With further reference to the proposed Government concession it is up to you to say the locality where you want it (I myself think it advisable to have the experts make an inspection tour of the interior in order to locate the most suitable place). Of course there are sections where a large tract of public lands is not obtainable as it is all divided into small holdings.

The two sections of the country that present the best agricultural possibilities are Darien (see what I say about Tuira) and Chiriqui. Only Chiriqui has

never been known as a banana growing country.

H. G.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 31. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him, said letter was introduced and read in evidence, marked U. S. Exhibit 32, and reads as follows:

U. S. Exhibit No. 32—Letter, July 18, 1911, Lyman to de la Guardia.

Letterhead Panama Development Company,
Los Angeles, July 18, 1911.

Sr. Hernan de la Guardia,
City of Panama,
Republic of Panama.

Dear Mr. Guardia:

Hand you herewith a copy of letter which is self-explanatory, and which would like to have you send out. We are also sending the same thing to Mr. Ryan, so that if one is missent, the other will arrive all O. K.

Regarding the lands to be located, will leave that entirely with Mr. Ryan, as he is a thorough judge of lands suited to tropical products, and will have charge of all the development work.

I believe later on we might do considerable business in Panama with tourists, particularly next Winter. What do you think? [254]

Expect to come down there in September or October.

Can you give me the name of the Panama Consul located in London, and do you know anyone there that would be interested in our project?

Hope you will like Mr. Ryan, and will get along nicely together. He is thoroughly competent in his particular work, and I believe will be a very great help to us. While of course it will take some time to get started, think we are going at it right, and shall expect to obtain in the end most satisfactory results.

Is your father still in the States?

With sincere regards, I remain,

Most cordually yours,

(Signed) LYMAN.

P. S.—Have not received as yet the papers sent to the Consul in San Francisco which we are having certified for you.

[Endorsed on back as follows]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 32. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by him, said letter was introduced and read in evidence, marked U. S. Exhibit 33, and reads as follows:

**U. S. Exhibit No. 33—Letter, July 25, 1911, Lyman
to de la Guardia.**

Letterhead Panama Development Company.

Los Angeles, July 25, 1911.

Mr. Hernan de la Guardia,

117 Avenida Central,

City of Panama, Republic of Panama.

Dear Mr. Guardia:

Your most welcome letter under date of July 12th at hand and contents carefully noted. It is indeed a pleasure to receive your letters, as you go into matters most carefully.

Now, to take up your letter in detail. The suggested land [255] grant appeals to us very strongly, as without a doubt we could be the means of bringing such a Colony to Panama.

The concession which you sent a copy of have had partially translated, and so far it looks particularly good. Of course if the Company should enter into such a colonization project, it would furnish you with all the money necessary to put it through; likewise give you a fair participation in same.

Do you think a similar concession could be obtained for us on the Savannah? Please talk this proposition over with Mr. Ryan and see what he thinks of it.

How long since did the English Syndicate acquire the franchise for building the railroad into the Tuira district, and when will they commence work?

We are very glad indeed to learn that in addition to your father joining the Advisory Board, that Mr.

Fearon, the Manager of the International Banking Corporation is to so act, as this must prove helpful in every way. By the way, what are Mr. Fearon's initials?

Regarding Mr. Quelquejeu: as he has already accepted, and has shown a disposition to aid us in every way, we certainly think he should be retained on the Board as well.

Now as to the compensation of the various members; we will leave that entirely with the gentlemen concerned, and pay them whatever they think their services are worth. After we have been in operation a few months they will be able to determine this, and we shall be most happy to meet their views.

Regarding the registration of this Company in Panama; we think, after mature consideration, that instead of organizing a smaller Company under the laws of Panama, that we will reduce the capital of our own Company from \$1,000,000.00 to \$100,000 having that paid up in cash, which will give us all the capital we require, and make the cost of registering the Company in Panama [256] one-tenth of what it would be if we kept it as it now stands. With this end in view we have filed the necessary papers for the reduction of our authorized capital, all of which will be accomplished in three weeks' time, and as soon as the papers are at hand, will have them authenticated before the Panama Consul in San Francisco and send same to you, to be filed in Panama. We will also send the appointment of your father and Mr. Fearon, properly authenticated, although so far as our laws are concerned, this is not

necessary, and the papers already sent you cover all that is required.

Just as soon as we know what colonization projects we are to undertake, and have a campaign definitely outlined, we will lodge with you ample means to take care of everything that may be required. Thus far here we have sold considerable lands, but we have not called for much money, as we are arranging for a party to go down in the early Autumn, and if the results of their visit are what we anticipate, we then expect to do a very large business.

Regarding the best point for a Colonization project; Mr. Ryan should be able to assist in making a proper selection, as he knows the country thoroughly.

One of our California Judges, who has just been appointed by President Taft as Supreme Court Judge on the Canal Zone, is leaving on the 15th of August. As this gentleman is a prominent Californian, we have given him a letter of introduction to your father.

I sent you \$1,000 some time ago, which you undoubtedly have received by this time.

With many and sincere regards to our father, and most cordial best wishes for yourself, believe me,

Sincerely yours,

(Signed) JOHN G. LYMAN. [257]

[Endorsed on back as follows]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 33. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been written and mailed by him, said letter was offered and read in evidence, marked U. S. Exhibit 34, and reads as follows:

U. S. Exhibit No. 34—Letter, July 31, 1911, de la Guardia to Panama Development Co.

“117 Avenida Central, Panama, July 31, 1911.

Panama Development Company,
216 Mercantile Place,
Los Angeles, Cal.

Gentlemen:

Answer to Letters of July 10th and 11th.

I received a check for 1,000.— sent to me by Mr. Lyman, and shall give \$500.— to Mr. Ryan, as directed. I was not able, however, to dispose of the money as it was a local check, drawn on the First National Bank of Los Angeles, and had to be sent back for collection. I would suggest that for future remittances you purchase a draft of the First National Bank on the International Banking Corporation here, to my order; or if you want me to open a bank account, you should deposit funds with the International Banking Corporation in San Francisco to my credit here, furnishing me with a letter authorizing me to draw from same.

Mr. Ryan arrived here on the 25th inst. and we are only waiting for the payment of the check to start for the Interior to locate the lands. It will be a question of a month before we locate same, and another month before we shall have to pay into the Treasury the price for the land taken up. As I think that 5000 hectares will be the very least we

shall require to cover the sales already made, and those you will have made by the time we have the provisional title, we shall [258]

Panama Development Company 2 July 31, 1911.
need at once \$6250.—gold, the bare cost of the 5000 hectares.

My father withdrew his name from the Company for political reasons; and as Mr. Smith is conversant with Spanish, as I gathered from one of the letters, I thought it unnecessary to translate my father's letter in which he explained his reasons for resigning from the Company.

I was very much surprised that you did not send me any of your literature. I have found it around town and was the last person to know its contents. Please send me a large supply of it as it is very much in demand here.

I do not think it wise to sell any land in Panama until we have taken up a large tract of government land.

With regard to the incorporation of a small Company in Panama, capitalized in \$5,000. I think it would be a very good move. I have been to see the Secretary of the Treasury (Hacienda), with regard to the tax of incorporating the big Company, and I agreed with him that I should send him a memorial, (which I have done), setting forth my reasons why the Company should not pay such high tax. He will answer my Resolution, which may be favorable if the law permits it; otherwise I shall have to proceed to have Mr. Vallarino draw the statutes of the small Panama Development Company and shall send them

to you for your final approval before the Company is incorporated. (The officers will be friends of mine, of very good financial and social standing in Panama, and over whom I shall have control.)

Panama Development Company 3 July 31, 1911.

I shall give you the address of the Panama Consul in London by the very next mail.

The correspondent of the International Banking Corporation in Los Angeles is the First National Bank.

With regard to the Company to be incorporated here I shall [259] give you full details as soon as the papers are drawn up.

No map of the Panama Public Lands is as yet available.

You may rest assured that everything will be attended to in a legal manner.

I do not think that Mr. Ryan is in a position to make any contracts as yet; but he will have our co-operation (Mr. Vallarino's and mine) as soon as it becomes necessary to contract for any work to be done.

I contemplate going to Aguadulce with Mr. Ryan and then all over the Providence of Cocle; also Chiriqui, as he thinks that I shall be of great assistance to him in the way of finding accommodations and dealing with the natives.

I believe you have received my letter of the 12th inst. in which I spoke of my father's return and also of Mr. Quelquejeu's trip to Europe; I also submitted to you a concession which could be obtained here, and passed upon the banana proposition; I

(Testimony of Hernan de la Guardia.)

expect an answer to that letter any time.

Your letter of the 12th of July is at hand. I have already been making inquiries and shall give you full particulars as to information obtained by next mail.

Panama Development Company 4 July 31, 1911.
mail.

Your letter of July 18th, was also received with the List of Buyers to whom you desire that a circular be sent. I am having some stationery printed now and as soon as it is ready will have the letter type-written and sent out.

The papers you refer to are the Charter of the Company which I sent direct to Mr. Lynn by registered mail.

Without anything further for the present, I am,

Yours very truly,

(Signed) H. de la GUARDIA. [260]

G/G

[Endorsed on the Back as Follows]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 34. Filed October 17, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The WITNESS.—I never went into Agua Dulce and Chiriqui with Mr. Ryan, nor have I ever been over Chiriqui and Agua Dulce.

The witness identified a letter as having been received by him, which letter was introduced and read in evidence, marked U. S. Exhibit 35, and reads as follows:

**U. S. Exhibit No. 35—Letter, July 29, 1911, Lyman
to de la Guardia.**

(Letterhead of Panama Development Company)

Los Angeles, July 29th, 1911.

Mr. Hernan de la Guardia,

117 Avenida Central,

City of Panama.

Dear Mr. Guardia:

Since writing you last, we have had the Colonization Project translated, and the proposition appeals very strongly to us.

Now, *to* you suppose you can obtain a similar concession for us? If so, please make the necessary application at once, taking it in your own name, and then you can either hold it in trust for this company, to be delivered to it, or its nominees, as and when desired, or can transfer it in the first instance, if that seems more desirable.

Please take this matter up at once, and advise us just what you can do. The company will give you a 10% interest in the concession, free of all expense to yourself, and provide the necessary moneys to take care of it.

There is no question but that the Company can carry out the terms of a contract such as you have submitted, so this should prove very profitable business all around.

Do you think well of the Darien district? Isn't there a tremendous lot of rain there? Doubtless, however, the land in that section is very rich, and will be highly desirable for banana [261] grow-

(Testimony of Hernan de la Guardia.)

ing, likewise sugar cane.

As you will have a very substantial interest in this proposed concession, please obtain one in the very best district available, and under the most liberal terms possible, as you may count on the thing going through.

With very best wishes, I remain,

Most cordially yours,

(Signed) JOHN G. LYMAN.

The WITNESS.—With my letter to Lyman dated July 12, 1911, U. S. Exhibit 31, I sent a copy of the concession in Spanish.

Q. (By Mr. REGAN.) Do you know whether or not your father wrote any letter to the Panama Development Company?

A. Yes, sir, he wrote them.

Q. Did he make any inquiries from you before he wrote it, that is, to whom to address—what the address of the company was?

A. I told him to address it to Mr. Lynn.

Q. Did your father afterward show you a letter addressed to Mr. Lynn of the Panama Development Company, written in Spanish?

A. Yes, sir, he read it to me.

Q. He read it to you? A. Yes, sir.

Q. I will show you this letter dated Panama, the 26th of July, 1911, addressed Sr. E. A. Lynn, Los Angeles, California, written in Spanish, and show you the signature, Santiago de la Guardia, and I will ask you whether or not that was the letter which he read you.

(Testimony of Hernan de la Guardia.)

A. That is the letter he read to me, and that is his signature.

Q. And is that the letter that you referred to in United [262] States Exhibit 34, where you said, "my father withdrew his name from the company for political reasons"—Is that the letter that you referred to?

A. I referred to that letter and warned them.

Q. Showing you United States Exhibit 34, where you say, "my father withdrew his name from the company for political reasons," is this the letter that you refer to?

A. Yes, I think that is the letter.

Mr. REGAN.—I now offer this letter in evidence, dated Panama, the 26th day of July, 1911, addressed to "Sr. E. A. Lynn, Los Angeles, California, My dear Señor," signed *Santiago de la Guardia*.

Mr. SCHENCK.—To which the defendant objects on the ground that it is incompetent, irrelevant and immaterial and no foundation laid; the letter appears upon its face to have been addressed to one E. A. Lynn; it is not shown to ever have come to the notice of the defendant in this case; as to him it would be hearsay, and upon the further ground that if this letter was obtained from the office of the Panama Development Company, in Los Angeles, California, as we contend, and think we are able to show at this time, taken from there without any process of law at a time about four days subsequent to the arrest of this defendant, it violates the fifth amendment with reference to a person being compelled to give

(Testimony of Hernan de la Guardia.)

evidence against himself, the contention being here that this corporation and this man are one and the same thing.

Mr. SCHENCK.—I will state my objection all over again and then will so connect it down by stipulation throughout to each and every stage of the proceeding, in so far as every step of the proceeding may be affected thereby. That is the objection.

Mr. REGAN.—Up to now?

Mr. SCHENCK.—Or hereafter. [263]

Mr. REGAN.—Well, I don't want to make this go to too long a period of time.

Mr. SCHENCK.—Well, up to now then. The objection is to the introduction of each and every one of these letters, which were the result of the seizure, even prior to or subsequent to the arrest of the defendant without process, writ or warrant of any kind, are incompetent, by reason of their violation, that is, the method of procuring the same being a violation of the fourth and fifth amendments of the Constitution of the United States.

Second, that each and every letter that is not signed by the defendant, as having been written by him, that they are hearsay as to him, and not binding upon him, and no foundation laid connecting him with them. I think that covers the whole thing. Those that are not signed by him, or shown to have been in his possession or connected up with him in some way, are hearsay as to him; those that do bear his signature, or, rather, addressed to him, and were taken by virtue of the seizure and search prior to his

(Testimony of Hernan de la Guardia.)

arrest, are incompetent, under the Boyd decision. I think that expresses pretty nearly all there is to it. Now, the letter that was under discussion, Mr. Regan, and the one which was offered for evidence and to which my specific objection brought forth this argument, was the one which you had here. It would be 37. That is the one which your Honor has just ruled upon.

The COURT.—That is the one from the father.

Mr. SCHENCK.—That is the one from the father of this witness to E. A. Lynn, not shown at any time to have been in the possession or come to the knowledge of defendant Lyman, or the corporation, so far as that is concerned.

The COURT.—Well, this letter was a letter found in his private room. [264]

Mr. REGAN.—The last matter before the Court on Friday afternoon was the offer of this letter in Spanish in evidence, and I now withdraw that offer and, with the permission of the Court, I will ask to interrupt Mr. Guardia, who was on the stand, and introduce a witness for the purpose of identifying this letter.

Mr. SCHENCK.—No objection on the part of the defendant.

Testimony of W. I. Madeira, for Plaintiff.

W. I. MADEIRA, a witness called on behalf of the United States, being first duly sworn, testified as follows:

I live in San Francisco. I am a postoffice inspector, and have been so for about nine years. I know

(Testimony of W. I. Madeira.)

the defendant Lyman. I saw him in San Francisco in September, 1911.

Q. I show you this letter written in Spanish addressed to "Panama, July 26, 1911, Senor E. A. Lynn, Los Angeles, Cal. My Dear Sir" and signed "Santiago de la Guardia," and I will ask you whether or not you ever saw that letter before?

A. Yes, sir; I did.

Q. Where did you see it? Where was it when you first saw it?

A. I took it out of the trunk of the defendant.

Q. Where? A. In my office.

Q. When? A. September 9, 1911.

Q. Had you prior to that time taken the defendant into custody?

A. The night previous; yes, sir. At the time I took the defendant into custody that letter was in a small trunk in the middle of his room where he was arrested. The trunk was open. [265]

Cross-examination.

(By Mr. SCHENCK.)

Q. You arrested him, did you?

A. I helped take him into custody.

Q. Did you take him to the Central Station in Frisco?

A. Yes, sir. It was about 7:30 in the evening. I did not look up the trunk before I left the room with him, but I shut the trunk.

Q. You don't remember how you got in the trunk the next day?

A. I know the trunk was not locked, because

(Testimony of W. I. Madeira.)

Morse strapped it. We picked up all the literature on the floor and put it in the trunk and shut it. There was literature all over the floor of the Panama Development Company.

Q. A whole trunk full?

A. A whole lot on the floor that was finally discarded. We put it back in the trunk and shut the trunk.

Q. You didn't have a search-warrant or writ or process? A. I had nothing but—no, sir.

Mr. REGAN.—Nothing but what?

A. A telegram from the United States Attorney to arrest the defendant.

Q. (By Mr. SCHENCK.) That was all the authority you had?

A. That a warrant for his arrest and a certified copy was being forwarded.

Q. When did you take the trunk away from the hotel to your office? A. The following morning.

Mr. REGAN.—I now offer in evidence the letter with the translation attached to it, identified by the witness, and ask that it be marked United States Exhibit 37.

Mr. SCHENCK.—The only objection now is the objection [266] based upon the Boyd Case.

The COURT.—The objection is overruled.

Mr. REGAN.—And may we, to save time, stipulate that each and every one of these documents obtained in the same manner have the same objection and the same ruling applied to it?

Mr. REGAN.—Based on the Boyd Case?

(Testimony of W. I. Madeira.)

Mr. SCHENCK.—Yes; and if there is any additional objection that I wish to urge, I will make it in addition.

Mr. REGAN.—That is all right. But your objection now goes purely to the ruling in the Boyd case, on the ground that it is a violation of the fourth and fifth amendment?

Mr. SCHENCK.—Yes, sir; the method of the seizure. No other objection is urged at this time.

Mr. REGAN.—Now, reading from the translation which the witness identified as having been attached to the Spanish letter, United States Exhibit 37,—

Mr. SCHENCK.—What is the date of that letter? You didn't read it.

Mr. REGAN.—July 26th, 1911. The date is not on the translation, but it is on the original. The letter in Spanish is signed Santiago de la Guardia.

(Said letter and translation are marked United States Exhibit 37, read in evidence, and is as follows:)

U. S. Exhibit No 37—Letter, de Guardia to Lynn.
E. A. Lynn.

My dear sir:—Upon my return from the United States, your official communication was received in which you advise me that I have been appointed a member of the Advisory Board of the Panama Development Co.

It was my first intention to accept this appointment and loan my services for the benefit of my country and help my son Hernan with my advice, but I

have advices that you, before you received my acceptance to your offer, published and scattered broadcast in the United States a prospectus in which you state I [267] was a member of this Advisory Board and also that you added *my* after my name my official title with the government and after the name of my son Hernan the title of my office.

Aside from this this prospectus contains exaggerated statements and promises when you haven't even acquired any lands in Panama nor have you incorporated or registered the Co. in this country.

I do not appreciate the method in which you have used my name and official title as it is not serious nor legitimate nor profitable to inspire confidence—I therefore advise you that I will not accept this appointment which you offer and I want you to erase my name and title from your prospectus which you went so far as to use without my authority and the insult given me by publishing this in the United States and which we know by rumor in Panama, which has surely not reached my son's office, which should have been natural.

My friend, Mr. Quelquejeu, who is one of the most honorable men in Panama is in Europe, but I am sure he will follow my action when he knows of it. For the interest in the enterprise which Mr. Lyman indicated and in which figures one of my sons. I will say to you that had reports and rumors commenced to be circulated about said Company, coming from American citizens who have read the prospectus, that you are not proceeding with seriousness and

(Testimony of Hernan de la Guardia.)

that your enterprise is a true calamity or downfall.

Signed

SANTIAGO DE GUARDIA.

[Endorsed]: 672—Crim. U. S. vs. *Morgan*. U.S. Exhibit 37. Filed October 21, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [268]

**Testimony of Hernan de la Guardia, for Plaintiff
(Recalled).**

HERNAN de la GUARDIA, recalled.

Direct Examination (Resumed).

(Mr. *Mr.* REGAN.)

Q. I show you a letter on the paper of the Panama Development Company dated Los Angeles, August 12, 1911, addressed to you and signed John G. Lyman, and I will ask you whether or not you received that letter through the mail? A. Yes, sir, I did.

(The letter was introduced and read in evidence, marked U. S. Exhibit 38, and reads as follows:)

**U. S. Exhibit No. 38—Letter, August 12, 1911, Lyman
to de la Guardia.**

(Letterhead of Panama Development Company.)

Los Angeles, August 12, 1911.

Mr. Hernan de la Guardia,

City of Panama,

Republic of Panama.

My dear Mr. Guardia:

I am in receipt of a lengthy letter from Mr. Ryan, outlining conditions in Panama as he found them and advising what he thought could be done, and have written him very fully in return.

He spoke of the check I sent you and stated that

it would be better had a draft been sent, but as I was using my own check for the Company's business, I wished to have a receipt which was why I sent a check. When everything is in working order and you have the Company's account open, then it will be an easy matter to transfer from one office to another, without the necessity of using a check.

In this connection, the amended Articles of Incorporation came yesterday and were sent to the Consul in San Francisco for his verification, and possibly they will be returned in time to be sent you by Saturday's post; if not, then by next mail, and with these in hand you will be able to file in Panama and do all that is necessary, not only to register the company there, but [269] to open a bank account under the authority already provided. The amended certificate reduced the capital to \$100,000, and the registration fee, I take it, in Panama, now will be \$200.

Regarding the 20,000 hectares in the Chiriqui Province, on which you can obtain a two years' option for \$5,000 gold, I have asked Mr. Ryan to look at that property at his earliest convenience and if he approves, we will take up the option. I suggested to him also that when exercising the option he had better have the title looked into by some competent lawyer in Panama, for we want to be absolutely certain regarding those titles before paying any money for properties.

In regard to the Government lands to be taken up in Cocle, where he is going to lay out the town of Agua Dulce, just as soon as he is ready to do this

and ascertains that he can do it, will send down \$10,000 for the 8,000 hectares, or 20,000 acres.

You all seem to have the impression down there that the company here had been offering lands for sale, representing them as their own.

H. de la G. Page 2.

August 12, 1911.

Nothing of this kind has been done, the only lands offered were Government lands and is distinctly understood on the part of the purchaser that this company is going to purchase the same for them from the Government, and they understand it that nothing is going to be taken up for them until they pay for the same, or rather have completed the first payment, otherwise the company would be getting lands in the names of various people and never be able to collect for it. This is all thoroughly understood and agreed upon by the company and the purchaser, and they have had no complaint whatever from anyone with whom they have had dealings, and I am strongly inclined to the belief that the complaints your father mentioned in his letter to Mr. Lynn came [270] from some disgruntled real estate agent, rather than a client of the Panama Company, and I trust you will look into this and see if this surmise is not correct. You know in this town, there are about three thousand real estate agents and naturally every one of them wish a prospective buyer to purchase here and spend his money here, for everything of that nature boosts this town, whereas, if they buy or go to Panama, the benefit is in Panama rather than here, and of course these people are doing all they can to knock the business of the Panama Company.

Your father ought to be able to appreciate this, and I am such he will when the facts are called to his attention.

It is manifestly impossible for the company to head off these stories or to conduct their business in such a way that if any one is maliciously inclined, they cannot at least circulate stories at a distance which will reflect on the operations of the company, but none the less, there is nothing in it, and there is not one person who has had dealings with the company who is not perfectly satisfied.

Mr. Redpath, who is a conservative old banker, and Mr. Smith, who has heretofore been connected with some very fine business houses, are both conservative, safe business men, and I must say I have never seen a proposition handled better, from a business standpoint, than these people who are conducting this business, and every one of their clients are well pleased, and I am very sure they will continue to be, for the company are carrying out all their promises as rapidly as it is humanly possible to do so, and all complaints you may have received down there, you will find upon investigation do not come from dissatisfied clients, but from some individuals who have their own axe to grind in knocking the business of the Panama Company, and you must expect this sort of thing, for just so long as settlers are encouraged to go from here to Panama, or investors are encouraged to change [271] their investments from here to Panama, then interested parties here who are effected by the change, are going to be disgruntled, but nevertheless these changes are going to work for

the benefit of Panama, and that after all is what you and I are concerned with, for our interests lie there.

I hope you will take immediate steps to secure the concession from the Government, covering 25,000 hectares down in the region you mentioned in your former letter, and the company here will at a very early date be able to locate a thousand families there, so that we may enjoy the full benefits of the concession you obtain. I think in view of the fact that the company here will have to do all the real work, in the way of financing the project and securing the families as well, that in offering you 10% interest in the project for obtaining the concession, you are being well taken care of.

I trust, too, you will carefully present to your father the plans of the company and secure his services, in connection with Mr. Fearon, and Mr. Quelquejeu has already accepted, to act as an Advisory Board simply, where it needs someone like this to pass on important questions and points as they must come up from time to time with the Company. This will involve them with no responsibility, but they will be amply rewarded, and what perhaps is more important to them, be rendering a distinct service to their country, for this Company here has no intention of turning back—it could not if it would and it would not if it could and so you may rest assured that they are going ahead and if they make mistakes down there, it will be because they are ill advised, and not because they are intentional. The best way to avoid these mistakes is to be properly advised, and I feel very certain the men you have

selected are just the ones to keep the Company's line of operations in the channel they should be.

It is more than likely that Mr. Smith, who speaks Spanish, [272] will go down at an early date, with a view of systematizing things at that end, so that no hitches may occur in the future, for when once things are thoroughly established and in good running order, there is no reason why they should not continue so. Already a considerable number of prospective settlers and purchasers of lands have gone from here, as the result of this Company's advertising, and there are many more to follow. In fact, the movement has not yet begun, and you are going to see a great boom in Panama, and when it does come, do not forget that it will be this Company's operations, more than anything which made this possible. It is all very well to let people read Government reports, that there are good lands in Panama and that they can be obtained from the Government on favorable terms, etc., but don't forget that it requires something more than this, and that is some one at this end of the line to push those lands forward, as well as the attractive possibilities down there, and thus stimulate interest and encourage emigration. That is what this company is doing, and if they derive a profit, as it is hoped and expected that they would from their operations, they are none the less rendering a real service to Panama, and that is the way it should be considered.

With warmest personal regards to you and to your distinguished father, I remain,

Most cordially yours,

JOHN G. LYMAN.

(Testimony of Hernan de la Guardia.)

(Envelope:) Los Angeles, Cal. Sta. C. 1911. Aug. 12, 3-P. M. Mr. Hernan de la Guardia, 117 Avenida Central, City of Panama, Republic of Panama. *via New Orleans.* (Canceled postage stamp.) (On back) (Panama received sign) 24 Ago 1911.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 38. Filed October 21, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk. [273]

Q. (By Mr. REGAN.) As president of the Panama Development Company, did you ever enter into a contract with the Panamanian Government with reference to the Panama Development Company acting as agent? A. No, sir.

Q. Did you ever see or were you ever told that there was any such contract with the Panamanian Government?

A. I never saw any such contract and I never was told that there was such a contract.

Q. Did you ever, at any time, as president of the Panama Development Company, arrange with the Panamanian Government to purchase land for anybody? A. I did not.

Q. Did you, as president of the Panama Development Company, ever know of any land or options on land held by the Panama Development Company?

A. I did not.

Q. Did you ever receive, as president of the Panama Development Company, from Lyman or anybody else, any papers to be filed with the Panamanian Government with reference to the purchase of land from the Panamanian Government?

(Testimony of Hernan de la Guardia.)

A. I did not receive any actual papers to be filed with reference to the purchase of any land—any Government land.

Q. What were the only papers that you received?

A. The only papers outside of the letters, that I received, were the Articles of Incorporation of the Company, and I went to the Secretary of Finance in order to inquire from him what would be the cost of incorporating the company and registering it, and I secured the information and wrote back to the company.

Q. What did you do with the Articles of Incorporation? Did you return them to the Panama Development Company?

A. I returned them back, because they had to be authenticated [274] by the Panamanian Consul in San Francisco before they could be filed there.

Q. And you never received any other papers to file with the Panamanian Government from the Panama Development Company? A. No, sir.

Testimony of M. de Haaff, for Plaintiff.

M. de HAAFF, a witness called on behalf of the United States, being first duly sworn, testified as follows:

My name is M. de Haaff. I live in this city. My business is photo engraving and commercial photographer. I met the defendant in 1911.

Q. Under what circumstances?

A. I believe Dr. Lyman came up to the office and showed me a postal card, and asked me the price to reproduce that—make a map of it. It was a postal

(Testimony of M. de Haaff.)

card of the Canal Zone. A couple of weeks later I completed a set of plates for him. I made three or four colored plates for him.

Mr. REGAN.—I now offer in evidence this plate of Panama and the colored plates which are used in reference thereto and ask that they be marked United States Exhibit 39—A, B, C, and D.

I sent the bill for that work to the Panama Development Company. I think I sent it to the Alexandria Hotel—I remember now. The bill was paid promptly. I had to go to the office of the Panama Development Company and ask for payment. I saw Mr. Smith. Mr. Smith told me he had to have every bill O.K.'d. I don't remember who he told me would have to O.K. it.

Q. When did you next do business with Lyman or with the Panama Development Co.?

A. I think a few weeks after that I had a call from Mr. [275] Smith to come to Mercantile Place, and when I came down I had to look at another map that he had in the office and he wanted to find the price that a small reproduction would cost. The map was colored the same as it is here. It was in a frame hanging on the wall of the Panama Development Company. I had to re-photograph it in the back of the office of the Panama Development Company. From that photograph we made a drawing on top of the photograph. After the drawing we made a cut of it. Before I made a cut of it I showed the drawing to Mr. Smith. He told me to make several changes on it. I saw Dr. Lyman about the

(Testimony of M. de Haaff.)

drawing before I made the plate.

Q. Now, when you showed the drawing to Lyman, did he say anything to you about making certain indications on the plate or on the drawing?

A. One day I believe there was a man there. He turned me over to that man to make certain changes and indicate what that land is adapted for.

“MR. REGAN.—Now, I show this plate and ask you whether or not that is the plate which you made from that drawing? A. Yes, that is the plate.

Mr. REGAN.—I offer the same in evidence and ask that it be marked United States Exhibit 41.

(The map is received in evidence and marked United States Exhibit 41.)”

Q. Now, calling your attention to the little indicators in the left-hand corner of this plate, a circle, sugar cane land; a triangle, timber; a square, coffee, and the letter B, bananas, etc., are those the marks that Lyman told you to indicate on the map—on the plate?

A. Well, he spoke to me about them, but the other man that was there he was the one that told me. He had just returned from Panama and he knew exactly what the land was; he was the [276] one. After the plates were completed they were sent to the Seg-nogram Press Publishing Company. The work was paid for by the Panama Development Company. I afterward called at the office of Lyman to get some photographs in order to make some half tones. Those half tones were pictures of timber land and timber. After I completed the half tones I sent

(Testimony of M. de Haaff.)

them to the Segnogram Press. The half tones were made at the direction of the defendant. I sent the bill to the Panama Development Co. I saw Mr. Smith in reference to the bill and he referred me to Dr. Lyman, who "OK'd" and Smith paid it.

Q. (By Mr. SCHENCK.) You mean that Mr. Smith pointed out to you a mistake that had been made by you in making a previous colored plate.

A. Yes, sir.

Q. And the mistake was a deviation in the colored plate that you had made from what the map originally would show? A. Yes, sir.

Q. And you simply made this to conform to the original map? A. Part of that and more to that.

Q. And there was something put on this at the request of Mr. Smith that did not appear on the map? A. Yes.

Q. Now, can you point out what part that was?

A. Those squares and arrows.

Mr. REGAN.—I offer in evidence United States Exhibit 41-E, which is a color map showing a line of railroad and little squares and arrows pointing to the same.

Mr. SCHENCK.—I have no objection to the colored plate as it stands except in so far as the three little squares are [277] concerned. In so far as they are concerned, they are hearsay to this defendant and not connected up with him in any way; he said Mr. Smith told him to put them on there, but it may go in with that understanding that there is no showing or connection of the change here with the

(Testimony of M. de Haaff.)

defendant in any way, shape, manner or form.

Mr. REGAN.—Yes, if Mr. Smith is not connected up closer with the defendant, then it may go out.

Cross-examination.

(By Mr. SCHENCK.)

Q. The first bill that you sent out you think was sent out to Lyman personally. A. I think so.

Q. Well, except the first one they were all directed to the Panama Development Company?

A. Yes, sir,

Q. And all charged to the Panama Development Company and the work done for the Panama Development Company, and practically all negotiations were with Mr. Smith in the premises except when you would go to collect the bill, and he would send you over and made you get Lyman's O. K.?

A. Only when the last came.

Q. That so-called big map—I will take up the cut with the three-colored plate, Exhibit 39-A, B, C, and D. This colored plate business, as I understand, is simply—there is your original cut, is it?

A. That is the black cut.

Q. That is the black cut, is it? A. Yes, sir.

Q. That shows everything that there is on the thing from which the cut was made?

A. All but the color.

Q. In other words, the use of these so-called color plates [278] does not have any effect upon the contents or showing of this except as it changes the color? A. The color underneath.

Q. Everything in this first exhibit, which is 39-A,

(Testimony of M. de Haaff.)

B, C and D, everything that was done there was done by your firm in an honest effort to reproduce in exactly the same color and exactly the same thing that was given you to reproduce? A. Yes, sir.

Q. And no intention to change by design or intent?

A. No, sir.

Q. The only change that was made in any way, shape, manner or form, that was made by design as distinguished from mistake on this map Exhibit 41, was the interspersing here of little indicators, like squares and circles and half-moons and diamonds interspersed throughout the face of the place to indicate the nature of the plate where that particular dot may have been placed on the face of it?

A. Yes, sir.

Q. And the explanation of the indicator sign is down there. A. Yes, sir."

Mr. SCHENCK.—Q. What I am trying to find out was, there was no change made except the one or two I have indicated, to wit, this indicator system—that is, the indicator system and explanation and interspersing of it? Besides that there were no changes made to make it deviate from an exact counterpart of that map, but the only changes were by reasons of mistakes made in order to make it conform? A. Yes, sir. [279]

Testimony of Clarence E. Riley, for Plaintiff.

CLARENCE E. RILEY, a witness called on behalf of the United States, being first duly sworn testified as follows:

I live in South Pasadena. My business is that of

(Testimony of Clarence E. Riley.)

photo engraver. I remember at one time working on a plate of a place called Agua Dulce. It was about three years ago.

Q. Do you remember seeing that man before?
(Counsel refers here to Mr. Pentland who is called into the room for the purpose of the question.)

A. Yes, sir.

Q. Is that the man who brought you the drawing?

A. He brought the preliminary job. A rough sketch. I haven't that rough sketch now. I never finished it. Mr. Pentland took it away. I made a charge for the work on my books. The date of the charge was June 20th, 1911.

Cross-examination.

(By Mr. SCHENCK.)

Q. How long prior to that had the work been done? You say it was charged June 20, 1911. When had the work actually been done?

A. We billed the work out immediately when it was done.

Q. It was finished then about June 20, 1911?

A. Yes, sir.

Testimony of F. F. Green, for Plaintiff.

F. F. GREEN, a witness called on behalf of the United States, being first duly sworn, testified as follows:

I am a commercial artist at present employed as a newspaper artist. In 1911, I was employed by the Bryan Garnier Company as a commercial artist. I remember making a drawing of Agua [280] Dulce in 1911.

(Testimony of F. F. Green.)

Q. I show you this plat of Agua Dulce and ask you whether or not that is a drawing that you made from the rough sketch which was brought to you.

A. Yes, sir.

Mr. REGAN.—I now offer the drawing just identified by the witness and ask that it be marked United States Exhibit 43. It is a drawing entitled “Agua Dulce Colony,” Province of Cocle, Panama, Panama Development Company. Home Office, City of Panama, Panama. U. S. Office, 216 Mercantile Place, Los Angeles, California.” And it shows a drawing of plats 12 wide and 9 deep, and altogether 100 *block* blocks of land. In the center is a square marked “Pueblo Agua Dulce. Sugar Mill.” And running through the map is a line marked “Panama-David Railroad” and a square marked “Railroad Station.” The blocks are each numbered.

Mr. REGAN.—Mr. Pentland, stand up. Is this the gentleman that came to see you with reference to the drawing? A. I couldn't be sure.

Cross-examination.

(By Mr. SCHENCK.)

Q. Is this the original drawing?

A. It is what is known to engravers as the original drawing. It is all my hand work except the color.

Testimony of R. C. Pentland, for Plaintiff.

R. C. PENTLAND, a witness called on behalf of the United States, being first duly sworn, testified as follows:

About the 12th of June, 1911, I was engaged with

(Testimony of R. C. Pentland.)

the Panama Development Company. I got that employment in their office on [281] Mercantile Place.

Q. Who did you see when you first went into the office of the Panama Development Company?

A. I saw Mr. Lynn, that is I spoke to him first. My purpose in calling there was to ascertain about what their proposition was—their land proposition—and he described it to me in a general way.

Mr. SCHENCK.—We object to all this as hearsay as to the defendant.

Q. (By Mr. REGAN.) Whom else did you see?

A. When I told Mr. Lynn that I wanted a position, he referred me to Mr. Redpath. I had a conversation with Mr. Redpath. I next met Mr. Smith. I was employed about the—2d or third visit I made to the office. Mr. Redpath engaged me. I outlined a plan for interesting people in Orange county and other districts, in land in Panama.

A. Did you confer with anybody in the Panama office with reference to the plan?

A. I conferred with Mr. Redpath and after he engaged me I talked with Mr. Smith.

Q. Did you prepare a plat of any land in Panama?

A. Yes, sir. I outlined the idea of it and had a draftsman prepare it. That was in June, 1911.

Q. Now, after you had prepared this rough draft, to whom did you show it first?

A. I first outlined the idea before the rough draft was made to Mr. Smith.

I had a conversation with the defendant with

(Testimony of R. C. Pentland.)

reference to the plat. I asked Mr. Lyman if land could be gotten in a given locality in Panama to sell, and he said that if could and at the time I suggested showing a plat to show such land and he said the matter would be taken up under consideration. I told Lyman that [282] Mr. Smith had referred me to him. After my interview with Lyman I had a conversation with Smith. I then prepared a rough draft of Agua Dulce. Mr. Smith, Mr. Lyman and myself had two or more conferences with regard to this rough draft. When I first submitted the first rough draft to defendant, it was not platted to the ocean, nor to the river. As a result of my conversations with Dr. Lyman and Mr. Smith I extended the plat so as to include the river and also the ocean. After I made this rough drawing I took it to Riley Moore and he didn't work fast enough and then I took it to the Garnier Co.

Q. Now, after the rough draft was extended to the ocean, and to the river, did you show it to Dr. Lyman before you took it to Riley Moore, for approval?

A. Yes, I took it to Dr. Lyman. He said he liked the looks of it and approved it. He didn't order me to take it and have it extended. Mr. Smith gave me the orders.

Cross-examination.

(By Mr. SCHENCK.)

The idea of this sketch was that I wanted to show this as a sort of general idea or rough draft to show where those lands were located.

Q. Now let me ask you, this plat here is, so to

(Testimony of R. C. Pentland.)

speak, the result of your, or carrying out of your idea to get a rough draft that you might show people approximately how things were situated down there?

A. Yes, sir.

Q. And you did not have any idea in your mind when you extended that to the ocean that you were putting forth something to your clients that was fraudulent?

A. Absolutely no idea of such a thing.

Q. But this map then was gotten up by you?
[283]

A. I gave the general idea to the draftsman in its preparation.

Q. You wanted a sort of a rough birdseye view of quick, ready reference that you could show your clients and prospective customers?

A. Yes, sir; so they would know relatively where they would be, one with the other, in case of purchase.

Q. Was there anything said at any conference which you attended, by you, with reference to moving the land so as to make it show a falsehood?

A. No, sir.

Q. Was there anything said by anyone at any of those conversations about getting up what you might call on the street a phony map?

A. Nothing of the kind, and I would have quit the job before I would have stood for it.

Q. And you believed then and you believe now that in its general way that map is approximately true?

(Testimony of R. C. Pentland.)

A. I believed then that they could deliver the goods; that it was an approximate platting of that area, and that they could deliver the goods.

Q. Now, as a matter of fact you simply located Agua Dulce down there where it is and then simply laid out your plat around that, not attempting to confine it to scale?

A. Oh, no attempt at scale whatever. Simply to show a chunk of land right in here by Agua Dulce and going down to the ocean or gulf or whatever it is, and to the river. As to the railroad, I couldn't swear to whether that was on the map then or not, but I was given to understand in the office by Mr. Smith that I didn't show that the railroad ran through Agua Dulce, and I accordingly put the railroad on there. He said that the proposed railroad as contemplated would run through there. [284]

Q. As a matter of fact, you gave an option on ten thousand acres of land here to one party, did you, or took part in the giving of it?

A. I was granted a verbal option on ten thousand acres of land in that locality for the purpose of organizing a syndicate to purchase it after they had inspected it by sending two of their own members down there to inspect it.

Q. And when you drew that, you understood that it had not been surveyed in accordance to this, but that it would be eventually if your proposition went through? A. Yes, I understood that.

Q. Then at no time did you ever make any changes on that map or make the map itself by virtue of any-

(Testimony of R. C. Pentland.)

thing said to you by Dr. Lyman that you should get up a map which would mislead people or defraud people or misrepresent the fact to people? You never got up such a map from anything he said to you?

you? A. Not from him or anybody else.

Redirect Examination.

(By Mr. REGAN.)

Q. This tract of land which appears on United States Exhibit 43 for Identification marked in red, that was the land that you were going to undertake to colonize?

A. Yes, sir. I never purchased that land from anybody. I never had any title to this land. I was to work on a colonization scheme of these ten thousand acres, but I never sold any of that ten thousand acres to any purchaser. I used that small part of Agua Dulce marked red, to indicate to purchasers where they could be located in that vicinity?

Recross-examination.

(By Mr. SCHENCK.)

Q. As a matter of fact, you had not had time to perfect [285] your colonization scheme at the time the United States Government swooped down on the office and closed it up?

A. I think I had about thirty-five members enrolled in that syndicate, and many more coming in. They were coming in fast and I expected in a couple of weeks to start the committee down there to see the land, and before that couple of weeks was up the United States Government closed them up.

Testimony of T. P. Smith, for Plaintiff.

T. P. SMITH, a witness called on behalf of the United States, being first duly sworn, testified as follows:

I am in the printing business. In 1911 I was a salesman for the Segnogram Company. About that time I met the defendant. He came into our downtown office to order some printing. The first order was prospectuses for the Panama Development Company. I had a conversation with the defendant in regard to this prospectus entitled "Gateway to Opportunity."

Q. I show you these sheets of paper and ask you whether or not it is the proof?

A. These are the proof sheets of the first prospectus. I got the original copy of this proof sheet from Dr. Lyman. After the proof sheet was made I showed it to Dr. Lyman. The corrections were made at Dr. Lyman's suggestion. Dr. Lyman gave me an order for the printing of these pamphlets. The order was given on the 20th of April for ten thousand, and they were delivered to the Panama Development Company at Mercantile Place.

Mr. REGAN.—I now offer in evidence the circular just identified by the witness entitled "Gateway to Opportunity" and ask that it be marked United States Exhibit 45.

(Said exhibit is marked United States Exhibit 45, is read in evidence and is as follows.) [286]

**U. S. Exhibit No. 45—Prospectus of Panama Dev.
Co.**

“Bird’s Eye View of Panama Canal.

(Table of Distances.)

PANAMA R. R.

was built by a New York Company in 1857, at a cost of \$8,000,000 and was acquired by the U. S. as part of the canal purchase. The road is 45 miles long and is now being double tracked. This road will be a great help in the construction of the canal.

PANAMA TO DAVID.

Railroad about to be built will open a marvelously rich country which is practically unknown, with a superb climate and a mean temperature below 80, the extreme fluctuations from which do not vary 10 degrees.

REPUBLIC OF PANAMA.

Government Lands.

THE GATEWAY TO OPPORTUNITY.

Never in the history of the world was there a greater certainty of making money than buying Panama Government lands at the present time.

Price \$5.00 per acre; \$2.50 down and \$2.50 in four years, with no taxes to pay until the final payment is made.

What the opening of the Panama Canal means few have any conception, yet the following data may give some idea. At the present time to ship from the west coast to a European or a New York port requires in the first instance a sea voyage of approximately 15,000 miles and to an Atlantic port 12,000

miles, which will be reduced by the opening of the canal to 3,600 miles to Europe and 1,900 miles to New York, which great saving will mean a tremendous development and unquestionably a great increase in land values. [287]

To take advantage of this to the fullest extent the Panama Government is now advertising for bids for the construction of a railroad from the City of Panama through the rich Province of Chiriqui to the City of David, 280 miles to the northwest which is the capital of the province and which has a delightful climate and a soil of great fertility, where coffee in large quantities is now being grown and where almost every product of the temperate clime, as well as more tropical plants, such as sugar cane and bananas, can be grown to perfection.

It is also a great cattle raising section, where cattle can be pastured the entire year without any protection or extra feeding, the grasses themselves being sufficient to fatten and are much like alfalfa.

Part of the government land is covered with very valuable hardwood timber, including mahogany and when there is an outlet for this, that alone will pay for the land many times over.

The savanna (prairie lands) while covered with a luxuriant growth of grass is neither swampy nor rocky, and an automobile can be driven over it in every direction.

The title to these lands is perfect and will come direct from the Panama Government to the purchaser.

Tracts can be provided of one, two or three hun-

dred acres, or even less, giving a part wood lands, part prairie and part high lands for coffee and low lands for sugar.

The sugar lands, particularly, will undoubtedly vastly enhance in value, as the sugar cane of Panama holds the highest amount of saccharine matter of any cane grown and after once planted will reproduce itself continuously. The government has recently granted an important concession relating to the erection of a sugar mill, removing the tax on sugar machinery, and, recognizing the enterprise as a public utility, has exempted it from all national and municipal taxes for a period of ten years. [288]

The cost of preparing the land and putting in sugar cane in the first instance is \$50 an acre and the first crop is harvested fifteen months thereafter and will pay for all the work, land and a good profit per acre. Land put in sugar cane will at once have a value of \$150.00 an acre from which a yearly return may be expected of not less than \$50.00 per acre.

Arrangements can be made to have lands put into sugar by contract, payable in installments running over two years in time.

With the opening of the Panama Canal, it is reasonable to expect these sugar lands will command from \$300.00 to \$500.00 an acre, as when the cane is once planted it requires little attention except cutting, which can be done under contract, the mill paying the owner of the land for the cane, which obviates the necessity of being present unless desired. This is practically as is done to-day in Cuba, a majority

of the wealthy sugar planters owning plantations there living in Spain, Paris or New York, and spending little or no time in Cuba except possibly during the time of cutting.

As the demand for sugar is constant, there is little danger of oversupply, which, however, can hardly affect Panama, as there is no country in the world that can produce it so cheaply, and all it has lacked heretofore was transit facilities which are now near at hand.

Growing bananas, too, is exceedingly profitable. How much so may be judged from the fact that the United Fruit Co., of Boston, has over 25,000 acres of bananas near Bocas del Toro and is the largest cultivator of public lands in Panama. It has one plantation alone of 40 square miles.

Along the Costa Rican border is a belt of citrus fruit land which cannot be surpassed the world over. Here oranges, grape fruit, mangoes, pineapples, etc., grow to perfection. With the opening of the canal the markets of the world will be opened [289] to this heretofore closed region, the lands of which can now be obtained almost as a gift, yet in a few years are destined to become among the most valuable on this Continent.

While the amount of government land that can be acquired by one person or a corporation is unlimited, four-fifths of the land *land* acquired must be cultivated and fenced within four years or the title will lapse to the government. This is to prevent very large tracts being held purely for speculation. Any moderate amount can be cultivated without any difficulty, as the law is very liberal on this point,

allowing from twelve to thirty feet between plants.

Fencing, too, is very cheap, barbed wire with live posts of the jobite tree being usually employed. (A limb cut from the jobite tree and stuck in the ground will grow up a tree without cultivation.) The average cost being one cent per lineal foot. It will thus be seen the laws are all that could be desired, as they do not require residence and four years may be had in which to complete title with no taxes to pay during that period or title may be perfected at any time. Arrangements can be made to have all work, including fencing, done under contract, the price of cultivation varying with the crop and from one-half to two-thirds payable from the crop itself.

Among the products of the temperate zone which grow luxuriantly in parts of Chiriqui giving two *two* to three hundred bushels to the acre, are white (Irish) potatoes, for which even now there is a ready market on the Isthmus, yet the natives are so indolent they will not take the trouble to raise them, and the same thing may be said of practically everything that is grown. Yet good labor can be had and Chinese Coolies and all other contract labor brought in without limit, there being no such thing as union labor. This is not stated as a reflection on union labor, but merely as a fact, for every white man who has [290] gone into this country has almost immediately become a land owner and finds it more profitable to work for himself than for others, it being an ideal country for the man with small means, although capitalists naturally profit greater in proportion.

What the chances really are for a man with small capital is best shown in the case of Leslie Wilson of California, who arrived in the province of Chiriquí twelve years ago with a cash capital of \$200.00; to-day he has a plantation of \$5,000 acres of as good land as there is in Chiriquí, and easily worth \$50,000, also several thousand head of cattle and as fine a house as one would care to live in. Certainly not a bad record for the time and capital invested, considering the fact that during this period Panama has been practically without markets or transit facilities except small schooners plying along the coast. While Mr. Wilson may seem to have done well, his lands within the next five years will easily be worth a million dollars. What has been accomplished by him will be repeated by many others, and to all those desiring it, we will place every facility at our disposal to help them achieve like success.

Certainly never again will such an opportunity present itself, and no time should be lost, for the choice lands will soon be gone.

If desired, applications for lands can be made on the enclosed form and it should be stated whether sugar, banana, coffee, grazing, timber or citrus fruit lands are desired, as well as the number of acres, accompanying the same with a check at the rate of \$2.50 an acre for the number required, on receipt of which we will make prompt application through our representative in Panama, and the provisional title from the government will be issued direct to the purchaser. As earlier stated, the title

can be completed at any time within four years and no taxes will become due until one year from the date of completion of title. [291] Panama taxes are extremely light.

Timber lands do not require cultivation, but only one-fifth of timber lands can be taken in proportion to the whole number of acres applied for.

As between the various lands there is little to *chose*; all will prove profitable, coffee probably the most, but it requires five years for the trees to reach maturity, and these lands should only be taken by those who can afford to pay and wait. Sugar lands will give a very early return and considering their small cost of development, are extremely desirable.

There will be many fortunes made out of sugar lands.

PANAMA DEVELOPMENT COMPANY.

216 Mercantile Place,

Between Fifth and Sixth Streets,

Los Angeles, California.

Telephones:

Home A3425

Bdwy. 1050."

On the back:

"The Gateway to Opportunity," and a picture entitled

"Loading Bananas in Panama.

Bananas are placed in canoes at Gatun, on the Chagres River for shipment."

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 45. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

(Testimony of T. P. Smith.)

Q. (By Mr. REGAN.) Showing you that paper marked "Land Agreement," I will ask you whether or not that is a proof *of* a copy?

A. It is a copy that I received from Dr. Lyman. The corrections on the original copy were made by me at Dr. Lyman's direction. [292]

Q. I now show you this paper marked Power of Attorney. Is that a copy?

A. The original copy. I received it from Dr. Lyman. The paper you show me written with a lead pencil "Panama Development Company" is a copy I wrote myself from the dictation of Dr. Lyman, and after receiving the copies I have just identified I printed the same after the corrections had been made by Dr. Lyman, or at his personal direction. Dr. Lyman ordered 3,000 of these on the 10th day of May, 1911, and they were printed by the Segno-gram Company and delivered."

Mr. REGAN.—I now offer in evidence the finished proof which the witness has just identified, and the copies of which the witness has just identified.

(Marked United States Exhibit 46, real in evidence as follows):

**U. S. Exhibit No. 46—Land Agreement of Panama
Dev. Co.**

PANAMA DEVELOPMENT COMPANY.

LAND AGREEMENT.

THIS AGREEMENT made and entered into this
— day of —, 1911, by and between the Panama
Development Company, a corporation hereafter

known as the party of the first part, and — of —, party of the second part.

WITNESSETH:

The said party of the second part, being desirous of purchasing — acres of Government land in the Province of —, Republic of Panama, and whereas the party of the first part, through its authorized agents, is able to locate and purchase said land as an agent for the party of the second part.

NOW, THEREFORE, the said party of the second part does hereby authorize, appoint, designate and name the PANAMA DEVELOPMENT COMPANY as — true and lawful agent and attorney to purchase in [293] the name of the party of the second part — acres of agricultural land suitable for the cultivation of — and — acres of timber land in the Province of —, Republic of Panama.

IT IS FURTHER AGREED that for and in consideration of the party of the first part through its authorized agents locating and purchasing said lands, the party of the second part hereby agrees to pay to the party of the first part the sum of \$2.50 per acre for each and every acre so located and purchased.

AND IT IS FURTHER AGREED by and between the parties hereinbefore mentioned, that a further sum of \$2.50 for each and every acre so located and purchased shall be paid to the party of the first part within a period of four years, it being optional upon the party of the second part as to when — shall complete title during the period named. It being mutually understood and agreed

that the party of the second part shall not be called upon to pay any interest or taxes under this agreement.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands and seals the day and year first above written.

_____ (Seal)

_____ (Seal)

Signed, sealed and delivered in the presence of

_____ (Seal)

PANAMA DEVELOPMENT COMPANY.

LAND AGREEMENT.

THIS AGREEMENT made and entered into this
— day of —, 1911, by and between the Panama
Development Company, a corporation hereafter
known as the party of the first part, and [294]
— of —, party of the second part.

WITNESSETH:

The said party of the second part, being desirous of purchasing — acres of Government land in the Province of —, Republic of Panama, and whereas the party of the first part, through its authorized agents, is able to locate and purchase said land as an agent for the party of the second part.

NOW, THEREFORE, the said party of the second part does hereby authorize, appoint, designate and name the PANAMA DEVELOPMENT COMPANY as — true and lawful agent and attorney to purchase in the name of the party of the second part — acres of Agricultural land suitable for the cultivation of — and — acres of timber land in the Province of —, Republic of Panama.

IT IS FURTHER AGREED that for and in consideration of the party of the first part through its authorized agents locating and purchasing said lands, the party of the second part hereby agrees to pay to the party of the first part the sum of \$2.50 per acre for each and every acre so located and purchased.

AND IT IS FURTHER AGREED by and between the parties hereinbefore mentioned, that a further sum of \$2.50 for each and every acre so located and purchased shall be paid to the party of the first part within a period of four years, it being optional upon the party of the second part as to when — shall complete Title during the period named. It being mutually understood and agreed that the party of the second part shall not be called upon to pay any interest or taxes under this agreement.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands and seals the day and year first above written.

_____ (Seal)

_____ (Seal)

Signed, sealed and delivered [295] in the presence of

_____ (Seal)

POWER OF ATTORNEY.

KNOW ALL MEN BY THESE PRESENTS, that I do hereby constitute and appoint SENOR HERNAN DE LA GUARDIA my true and lawful attorney with full power of substitution for me and in my name, place and stead to locate and purchase Government land in the Republic of Panama, and

to attend to all matters pertaining to same with all the powers I would possess if personally present.

IN WITNESS WHEREOF I have hereunto set my hands and seal this —— day of ——, 1911.

(Seal)

Signed, sealed and delivered in the presence of

(Seal)

PANAMA DEVELOPMENT COMPANY.

Received on the within contract the sum of —— Dollars (\$——).

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 46. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

“After that I received an order for some stationery for the Panama Development Company, the copy being in my handwriting and done at the dictation of Dr. Lyman. The order was received from Dr. Lyman. Subsequently I received an order from Dr. Lyman for the printing of the booklet you now hand me in a brown cover and headed on the outside ‘Panama Development Company.’ I received the copy for this from Dr. Lyman, and showed him the proof before the finished product was made. 5,000 of these were ordered [296] May 15th, 1911, and delivered to the Panama Development Company.”

Mr. REGAN.—I now offer the same in evidence and ask that it be marked U. S. Exhibit 48.

(Mr. Regan thereupon read the exhibit in evidence, which reads as follows):

**U. S. Exhibit No. 48—Prospectus of Panama
Dev. Co.**

**PANAMA
DEVELOPMENT
COMPANY.**

Authorized Capital
\$1,000,000.00.

(All fully subscribed.)

Principal Office:

City of Panama, Republic of Panama.

Surcussals:

City of David, Province of Chiriqui,
Los Angeles, California,
216 Mercantile Place.

(First page:) Panama Development Company,
Panama Development Company.

OFFICERS.

HERNAN de la GUARDIA....President.

JOHN REDPATHVice-president.

I. N. McDONALD.....Treasurer.

L. R. SMITH.....Secretary.

E. A. LYMAN.....Assistant Secretary.

ADVISORY BOARD IN PANAMA.

SANTIAGO de la GUARDIA,
Procurador General de la Nacion.

C. QUELQUEJEU,
HERNAN de la GUARDIA,
Procura Dunia. [297]

(Second page:) Panama Development Company.
Fortune meets the thrifty man half way, but grips

the hand of him who sees the future through the present.

Those who looked forward ten years ago and saw Los Angeles, Seattle, Spokane, Vancouver and Winnipeg as they are now, to-day count their wealth by *hundred of thousand* of dollars, all of which was realized from very small beginnings.

(Third page:) Panama Development Company.

THE PANAMA DEVELOPMENT COMPANY was devised to aid foreign investors to acquire Government lands in Panama and to take charge of the development of same, if desired.

Under its supervision it will be possible for the small owner to have his holdings cultivated to the greatest advantage with the lowest possible cost.

Then, too, the methods of payment covering such work have been arranged on an exceedingly liberal scale, the idea being to facilitate the development of the country, rather than to make a profit from its operations.

There is no doubt but that the next few years will witness a tremendous change in Panama, and particularly in the Chiriqui Province, which in addition to its almost perfect climate has a soil of marvelous fertility.

Ordinarily, Pioneers have to undergo many hardships and discomforts in developing their lands, but those who avail themselves of this Company's services, will have all their rough work done for them, (Fourth page:)

and their properties turned over in a well-developed state.

As the Panaman Government, when issuing a definite title, [298] certifies as to the amount of cultivation done, it *leave* nothing to be desired from the investor's standpoint, as it assures him as to the work accomplished, even though he be not personally present to inspect the same.

In considering the future of this section of Panama, it must not be forgotten that no place in the world can show a soil of greater fertility, which in itself is a strong point when considering its possibilities.

Along the Costa Rican border are citrus and coffee lands, which can now be had at \$5.00 per acre, which five years hence will almost certainly be worth \$1,000.00 an acre. The oranges grown in this region are particularly fine, and as they ripen at a season of the year (November 1st), when there is no other fruit in the market, they will command the highest possible price.

To plant and care for an acre of or-

(Page five) Panama Development Company
ange trees for a period of four years means a total cost of \$300.00 per acre, which if done under contract can be divided so that the expense will not be burdensome; payments being required as follows:

\$100.00 per acre on the commencement of work.

\$100.00 two years from that date.

\$100.00 four years thereafter.

From which time the grove should be in bearing and returning a good income.

For a crop which will more quickly reach maturity, and one which is also very profitable, sugar is

strongly recommended, as the land can be cleared and put in cane for \$50.00 per acre.

Here the payments required are:

\$25.00 per acre when the land is cleared and planted, and [299]

\$25.00 per acre from the first crop harvested.

As cane when once planted will reproduce itself continuously for at least fifteen years, and as it can be sold standing, it is an ideal crop for those who do not want to oversee the work.

(Page six) Panama Development Company

The possibilities are so great, and there will be so many profitable opportunities resulting from the opening of the canal, and building of the new railroad, that it is almost impossible to treat of same in this small leaflet; but we would be glad to answer any inquiries upon request.

Our advise, however, to investors, is to take up as much Government land as possible, and at once! Secure with this, ample time can be had to determine what is best to be done, as the Government allows four years to complete title, and long before that time has expired the canal will be opened, and the dream of five centuries realized.

As we have no lands of our own to sell, and only act as Brokers on behalf of clients, and as all Government lands are the same price, we have nothing to gain except by serving them to the best possible advantage.

We may say here, we can do much better for Clients than they could do for themselves, even

(Testimony of T. P. Smith.)

though in Panama, as we have Experts familiar with the coun-

(Page seven) Panama Development Company.

try, who know where the best lands are for any particular purpose desired.

The provision of the Government requiring the lands to be cultivated within four years, means that the country will be rapidly [300] filled up and settled; and with the completion of the canal and opening of the new railroad, will make every part accessible. Those who wait, however, to ride through the country in a Pullman car, will find all the Government land gone, and it is the wise investor who, appreciating what these changes will mean, acts without delay.

We would strongly advise Clients not to wait one day, or hour, in filing an application for lands, which application will be filed and filled by the Government in the order received by us.

Correspondence invited.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets,

Los Angeles, California.

Broadway 1050.

Home A-3425.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 48. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—Q. I now show you a paper marked “Application for Land” and ask you whether or not

(Testimony of T. P. Smith.)

the Segnogram Company printed that.

A. Yes, sir; I received the original order from Dr. Lyman.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 49.

(Said paper is thereupon marked United States Exhibit 49, is read in evidence, and is as follows:)

U. S. Exhibit No. 49—Application for Land.

APPLICATION FOR LAND.

PANAMA DEVELOPMENT COMPANY.

216 Mercantile Place,

Los Angeles, California. [301]

Dear Sirs:

Enclosed please find \$——, for which please purchase for my account —— acres of Government land in the Republic of Panama, suitable for the cultivation of ——, and —— acres of timber-land.

I further agree to pay you the sum of \$2.50 per acre for each and every acre so purchased for my account within a period of four years, it being optional with me as to when I shall make payment during the period named, and it is mutually understood and agreed that I shall not be called upon to pay any interest or taxes under this agreement.

Name _____

Address _____.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 49. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

“The WITNESS.—The Segnogram Company

(Testimony of T. P. Smith.)

printed 65,000 copies of the document marked U. S. Exhibit 50, of the finished product marked U. S. Exhibit 50, the copy of which was received from Dr. Lyman, the changes in the copy being made by himself at Dr. Lyman's direction, and the corrections upon the first proof being made by me at defendant's direction."

Mr. REGAN.—Q. I now call your attention to a circular entitled "Panama Sugar Estates, Limited, authorized capital, \$2,500,000—500,000." I will ask you whether or not the Segnogram Company printed these?

A. Yes, sir. At the request of Dr. Lyman. The original copy was received from Dr. Lyman, the proof shown to him and corrected by me at his direction.

Mr. REGAN.—I now offer the finished product.

Mr. SCHENCK.—Objected to simply on the ground that it is not within the issues. [302]

The COURT.—Well, I am going to let it be marked for identification. I don't see any connection with it myself yet.

Mr. REGAN.—That will be United States Exhibit 51 for identification and with that as part of the exhibit will be the copy and the proof.

"The WITNESS.—The stationery marked U. S. Exhibit 52 was printed by the Segnogram Company on the order of Dr. Lyman, from a copy received from him, and were sent to the Panama Development Company's office. The stationery marked U. S. Exhibit 53 was also printed at the direction of Dr.

(Testimony of T. P. Smith.)

Lyman. The pink folder entitled 'Panama Lands' on one side, and on the other side 'The Land of Opportunity' was printed by the Segnogram Company at the direction of Dr. Lyman. 65,000 of these folders were printed. I would say 5,000 were delivered to the Panama Development Company, and 60,000 went to a distributing company. The original copy was received from Dr. Lyman, and is the proof now in my hand. The memorandum on the back of the pink folder I made myself. That is what we call a dummy in the printing business, and was merely my instructions to the plant. Those instructions were received from Dr. Lyman, and it was written down pursuant to instructions I received from him.

Mr. REGAN.—I now offer in evidence the finished product and the copy, proof and memorandum just identified by the witness and I ask that they be marked U. S. Exhibit 54, 54-A, B, C, D, and E.

(The exhibits were so marked, and Exhibit 54-A was read in evidence.)

The WITNESS.—65,000 copies of the circular entitled 'Timber Lands in Panama' *in read*, marked U. S. Exhibit 55-A, were printed by the Segnogram Company, the original copy was received from Dr. Lyman and they were delivered either to Dr. Lyman's office or to the distributing company. The proof was [303] shown to Dr. Lyman. The Segnogram Company printed 1,000 maps from U. S. Exhibit 41, at the direction of Dr. Lyman. I sent one of the press proofs to Dr. Lyman.

(Testimony of T. P. Smith.)

(A copy of the finished map just testified to was then introduced in evidence and marked U. S. Exhibit 58.)

The WITNESS.—The map of the Republic of Panama with the map of Agua Dulce on the back was printed by the Segnogram Company at the direction of Dr. Lyman, and afterwards delivered to the office of the Panama Development Company. (The map identified by the witness was introduced in evidence and marked U. S. Exhibit 59.)

Mr. REGAN.—Referring to Exhibit 59, there appears thereon red squares indicated by arrows, and a red square indicated by an arrow saying 'Citrus Fruit Land,' with an arrow saying 'timber land' and another with an arrow indicating District of Agua Dulce Sugar Land.

Q. Now, at whose direction were those representations printed upon that map? A. Dr. Lyman.

Q. And that was made by the color plates which you had received from de Haaf? [304]

A. Yes, sir.

Q. This insertion here 'This map is a reproduction of the one prepared in the office of the War Department, U. S. A., showing the line of the new railroad from Panama to David, together with an explanation of the lands adapted to the various tropical products, arranged by Mr. E. D. Ryan, for 10 years, identified with tropical agriculture in Panama for the United Fruit Company, having charge of a plantation 8 square miles in extent. See other side for map of Agua Dulce showing lands still open for location';

(Testimony of T. P. Smith.)

where did you get that statement?

A. Dr. Lyman.

Q. For the purpose of printing it on this map?

A. Yes, sir.

Q. Calling your attention to the back of United States Exhibit 59, which shows a plain map of Agua Dulce, province of Cocle, Panama, similar to United States Exhibit 56, and below that printed

“Real estate is the back bone of all wealth. It was here at the down of creation; it will be here at the end of Time.

\$375,000,000 is now being spent in Panama. Does any one think this tremendous development will not increase the price of Panama lands?

Millions of people own their own farms. Why not you?

Panama Government lands, now open to all on equal terms, are among the most fertile in the entire world. The present price of \$5.00 per acre will expire August 1st. The opportunity to buy at any price will soon be gone.

Even if uncultivated these lands will be worth \$20.00 an acre by the time the Canal is opened. Arrangements can be made whereby the lands can be cultivated on shares, so that all an investor need do is to purchase the raw land from the Government and the development work can be paid from the crop itself, and [305] the land put on an income-paying basis.

Why not place yourself in the income class and be a landlord rather than a tenant?

(Testimony of T. P. Smith.)

Do you know that nine-tenths of the tropical agriculture is in the hands of absent landlords?

Do you know that tropical agriculture stands at the very forefront of profitable enterprises?

A Boston Company has 20,000 acres of Panama public lands under cultivation, which cost less than \$100,000 four years ago. Their reported profits last year exceeded \$11,100,000. This year they will have 30,000 acres under cultivation.

There is no mine, oil well, or industrial proposition in the whole civilized world that can show a greater percentage of profit than is presented by the history of those now engaged in the cultivation of Panama public lands.

Why not participate in this? Investigation will cost you nothing. Do it NOW.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Sts.,

Los Angeles, California.'

Was that printed on there by you?

A. Yes, sir.

Q. At whose direction? A. Dr. Lyman's.

The WITNESS.—The map marked U. S. Exhibit 59 was printed from the plate marked U. S. Exhibit 41 for identification, as the plate at that time existed. We printed 5,000 of the maps, a copy of which is marked U. S. Exhibit 60, at the direction of Dr. Lyman, and delivered them to the Panama Development Company. The reading matter and data on

(Testimony of T. P. Smith.)

the map appearing on the Agua Dulce side were received from Dr. Lyman. The matter on the back of U. S. Exhibit 60 is that same as that on the back of U. S. Exhibit [306] 59, except the following: 'Panama Government lands now open to all on equal terms, are among the most fertile in the entire world. The present price of \$6.00 per acre will soon expire. The opportunity to buy at any price will soon be gone.'

Q. (By Mr. REGAN.) At whose direction was the change made from 'The present price of \$5.00 per acre will expire August 1st' to the statement 'The present price of \$6.00 per acre will soon expire'?

A. Doctor Lyman.

Q. Now, calling your attention to the side of United States — 60, 'Map of the Republic of Panama,' was anything done in reference to that plate United States Exhibit 41, after the order was given for United States Exhibit 60 and before it was fully printed? A. Yes.

Q. What was done?

A. An alteration of the plate.

Q. By whose direction? A. Doctor Lyman's.

Q. What did he tell you with reference to the plate?

A. He told me to send the plate to de Haaf, to have an alteration made.

Q. What was the alteration? What did he say?

A. He removed the lines in this bay indicating a part of that island.

Q. To remove the island from Montijo Bay?

(Testimony of T. P. Smith.)

A. Yes, sir.

Q. Was that done? A. Yes, sir.

Q. The plate was sent to de Haaf?

A. Yes, sir.

Q. And returned to you? [307] A. Yes, sir.

Q. And United States Exhibit 60 which you hold in your hand was a correct reproduction of that plate as it existed at that time?

A. With the alteration as made; yes, sir.

Q. (By Mr. REGAN.) Now, in reference to the printing of the words 'Montijo Bay,' in heavy purple on United States Exhibit 60, and on United States Exhibit 59, at whose direction was that heavy impression of purple ink used? A. Doctor Lyman's.

The WITNESS.—In July or August, 1911, we received a re-order for stationery for the Panama Development Company contained in a letter from L. R. Smith, that came through the mail. We received a subsequent order for the land agreement and power of attorney, a copy of which is marked U. S. Exhibit 46, July 12, from Dr. Lyman. We printed 65,000 of the four-page circular entitled 'Timber Resources of Panama' you now hand me; the order was received July 20, 1911, from Dr. Lyman, and part of the circulars were sent to the Panama Development Company and the balance to the distributors. (Said pamphlet was marked U. S. Exhibit 62, introduced and read in evidence.) At the time we printed U. S. Exhibit 62, we printed some circulars in the form you now hand me, at the request of Dr. Lyman, the

(Testimony of T. P. Smith.)

copy being furnished by him, and on completion they were sent to the Panama Development Company. (The circular just identified by the witness was then offered and read in evidence, marked U. S. Exhibit 63, and read as follows:

**U. S. Exhibit No. 63—Circular of Panama Dev. Co.
TO PROSPECTIVE BUYERS OF TIMBER
LANDS.**

Should you purchase these timber lands and not find them exactly as represented in the pictures, we will return the full amount of your first payment at any time within four years or before the final payment is due. [308]

This will give you ample opportunity to make a personal inspection of the lands. Surely the terms and conditions under which they can be acquired are very favorable, and as an investment likely to yield large returns, we believe they have no equal.

This is your opportunity for a fortune. Do not let it vanish before your eyes, for such a chance can never occur again.

PANAMA DEVELOPMENT COMPANY,
216 Mercantile Place,
Between Fifth and Sixth Streets,
Los Angeles, California.

APPLICATION FOR LAND.

PANAMA DEVELOPMENT COMPANY,
216 Mercantile Place,
Los Angeles, California.

Gentlemen:

Enclosed please find \$—— for which purchase for

my account at \$6.00 per acre, payable \$3.00 per acre upon application and \$3.00 per acre within four years, — acres of Government timber lands in the Province of Veragua.

I further agree to pay you the sum of \$3.00 per acre, as above specified, within a period of four years, it being optional with me as to when I shall make the payment during the period named.

It is mutually understood and agreed that I shall not be called upon to pay any interest or taxes under this agreement, and, in the event of the timber lands not being as represented, that my preliminary payment of \$3.00 per acre shall be returned in full, upon assignment to you of all my right, title and interest in the lands acquired.

Name _____.

Address _____. [309]

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 63. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The witness identified a letter as having been received by mail and pursuant to which, 500 letterheads and 500 second sheets were printed and delivered in conformity with the instructions contained therein. Said letter was introduced and read in evidence, marked U. S. Exhibit 64, and is as follows:

(Testimony of T. P. Smith.)

**U. S. Exhibit No. 64—Letter, July 19, 1911, Panama
Dev. Co. to Segnogram Press.**

(Letterhead Panama Development Company.)

Los Angeles, July 19, 1911.

Segnogram Press,

1719 Kane Street,

Los Angeles, California.

Gentlemen:

Kindly deliver to Dougherty & Smith, 553 I. W. Hellman Building, 500 letterheads and 500 second sheets. The letterheads to be the same style as the one upon which the letter is written with second sheets to match.

Yours very truly,

PANAMA DEVELOPMENT COMPANY,

By L. R. SMITH.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 64. Filed October 22, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The WITNESS.—On the 27th day of July, 1911, we received an order for 1,000 agreements for the cultivation of land from the defendant which were printed and delivered to the Panama Development Company. We received the copy from Mr. Lyman, the handwriting at the top of the copy being his. (The finished product was introduced and read in evidence and marked U. S. Exhibit 66-A; the copy was introduced and read in evidence and [310] marked U. S. Exhibit 66-B, U. S. Exhibit 66-A reading as follows:)

**U. S. Exhibit No. 66—A—Agreement for Cultivation
of Land of Panama Dev. Co.**

AGREEMENT.

for the cultivation of land on shares without cost to the owner of the land other than one-half the crop produced.

AGREEMENT made this — day of — nineteen hundred and eleven, between the PANAMA DEVELOPMENT COMPANY, a Corporation, party of the first part, and — of —, party of the second part.

WITNESSETH:

WHEREAS, the party of the second part is owner of certain Sugar lands in Panama, located in the Province of Cocle, Panama, and whereas the party of the second part desires the same cleared, cultivated and planted to Sugar Cane.

NOW THEREFORE, it is mutually agreed by and between the parties hereto, that the party of the first part in consideration of receiving one-half the crop, will clear or cause to be cleared — acres of sugar land, planting the same with sugar cane and harvesting and selling the crop, and take one-half of net return in full payment of same.

IT IS MUTUALLY UNDERSTOOD AND AGREED that the party of the first part will render the party of the second part true and accurate accounts of expenses and disbursements, together with receipts from sugar cane, and that these accounts will be certified to by a competent auditor, approved by both parties. [311]

FURTHERMORE, that the party of the second part may at all times have access to the accounts covering said development work.

This agreement to continue for four years from date to expire ——— nineteen hundred and fourteen, unless previously dissolved by mutual consent.

Witness our hands and seals this ——— day of ——— Nineteen hundred and eleven.

PANAMA DEVELOPMENT COMPANY,

By _____.
_____.

Witness:

_____.

This company, having undertaken to place settlers and secure [312] development of several hundred thousand acres of Panama Government lands to illustrate what these lands are capable of doing, is taking charge of the development, for the first owners, who can have their lands cultivated on shares, thus avoiding the necessity of the owners advancing any money other than buying the raw land from the Government.

As sugar lands can be placed upon an income-producing basis within a period of eighteen months there is every incentive at the present time for buyers to acquire as much land as possible, as the development and cultivation of the same can now be arranged on much more favorable terms than will be possible later, for with the filling up of the country land, owners will be expected to attend to their own cultivating.

Where land is put into sugar cane on shares, it should yield a net return to the owner of not less

than \$25.00 per acre at the expiration of the first eighteen months, and a like sum every year thereafter during the life of the agreement.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Streets,

Los Angeles, California.

(Second sheet:)

APPLICATION FOR LAND.

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Los Angeles, California.

Dear Sirs:

Enclosed please find £—— for which please purchase for my account at £1 per acre: Payable 10/— per acre upon application and 10/ per acre within four years, —— acres of Government agricultural lands in the district of Agua Dulce, Province of Cocle, Republic [313] of Panama, suitable for the cultivation of Sugar.

I further agree to pay you the sum of 10/— per acre as above specified within a period of four years, it being optional with me as to when I shall make the payment during the period named. It is mutually understood and agreed that I shall not be called upon to pay any interest or taxes under this agreement.

Name _____.

Address _____.

_____.

(If you wish the land cultivated, sign the agreement on the back of the application for land and re-

(Testimony of T. P. Smith.)

turn. The agreement regarding cultivation binds you to nothing except to permit us to develop the land on shares, without cost to yourself, and if thus cultivated it should be placed on an income-producing basis within 18 months. Should you desire, you may add anything to the agreement which you feel will further protect your interests.)

PANAMA DEVELOPMENT COMPANY,

216 Mercantile Place,

Between Fifth and Sixth Sts.,

Los Angeles, California.

July 27, 1911.,

The handwriting at the top of U. S. Exhibit 66-B was read in evidence and is as follows:

**U. S. Exhibit No. 66-B—Agreement for Cultivation
of Land of Panama Dev. Co.**

‘Agreement for the cultivation of land on shares without cost to the owner of the land other than 1/2 the crop produced.’

The WITNESS.—We received an order for some application blanks on the 31st of July, 1911, from Dr. Lyman. 65,000 of these were printed and delivered to the Panama Development Company and the distributors. On August 7, 1911, we received an additional order from Dr. Lyman for 12,000 of the prospectuses entitled ‘Gateway to Opportunity’ which were printed and delivered to the Panama Development Company. (The copy of prospectuses identified [314] by the witness was introduced in evidence and marked U. S. Exhibit 68-A.)

(Testimony of T. P. Smith.)

Mr. REGAN.—I now offer in evidence the copy from which U. S. Exhibit 68—A was printed, just identified by the witness, and ask that it be marked U. S. Exhibit 68—B.

Mr. SCHENCK.—No objection at all.

Mr. REGAN.—Calling your attention to United States Exhibit 68—B, on the first page, the writing in ink where it appears ‘\$5.00’ is changed to ‘\$6.00’ the numbers ‘2.50’ are changed to ‘\$3.00’ and the second time, the numbers ‘2.50’ are changed to ‘3.00’ and the words inserted ‘one year after’ in ink, who wrote that?

A. Dr. Lyman.

Q. And calling your attention to the fifth page in which is written in ink ‘the Pineapples particularly being very fine comparing favorably with the Hawaiian pineapples, the best grown,’ I will ask you who wrote that? A. Dr. Lyman.

Q. Calling your attention to the last page, with the written matter where the change in number is made from ‘2.50’ to ‘3.00,’ I will ask you who made that change? A. Doctor Lyman.

Q. Calling your attention to the same page where it reads ‘Timber lands do not require cultivation’ and the rest of it stricken out and inserted in ink there is ‘and there are no taxes on timber lands,’ I will ask you who wrote that? A. Doctor Lyman.

Q. Examine those checks. I will ask you whether or not those checks were received by the Segnogram Company for the printing which you have testified to?

(Testimony of T. P. Smith.)

Mr. SCHENCK.—Do you mean just testified about or what he testified to yesterday? [315]

Mr. REGAN.—It takes in all his testimony.

A. I received those checks in the office of the Panama Development Company, generally from Mr. Smith. I made my request for money to Dr. Lyman, and he would tell me to call and see Mr. Smith and get a check.

Mr. REGAN.—These checks are drawn by the Panama Development Company, signed John Redpath, vice-president, L. R. Smith, secretary, and total \$1608.90.

W. How much of a balance was left unpaid?

A. About 1800."

Cross-examination.

(By Mr. SCHENCK.)

Q. In other words, you stood a loss of about \$200 actual work expended which could not be delivered because the Government was in possession? Is that it?

A. That is the idea but I am not sure about the amount. About \$1000 of the \$1600 remaining was over thirty days old. I couldn't say off-hand what month it was that this last check for \$269.50 closed the account up to. My best recollection is that the check closed the account for June. I first met the defendant about the 20th day of April, 1911. No one else ordered any literature. I never saw Dr. Lyman composing any of it. Not a word except possibly one exception and that was on an Exhibit which I testified was in his handwriting.

Testimony of John Redpath, for Plaintiff (Recalled).

JOHN REDPATH, recalled for the United States, having been previously sworn, testified as follows:

I became acquainted with Lyman two years ago last May. I met him at the Alexandria in reply to an ad in one of the morning papers for a competent salesman. It was about the end of [316] April or the first of May, 1911. He handed me a book on Panama and asked me to read it over—Lindsay's book on Panama—and asked me to read it over and come to see him on the following day. I took the book and read it partially and returned to the hotel, not seeing him then. I left a line to say that I had left the book in Dr. Lyman's box at the Alexandria. I next heard from him when I got a telegram from him about three days afterwards, asking me to call at 433 Cons. Realty Bldg. I called on him there and had a conversation with him to the effect that he wished me to become sales manager or sell lands in Panama. He said he was going to sell Government lands for the Panamanian Government. He said that they were going to open up an office in Mercantile Place in the course of a few days and to come back in a few days to that office and meet him there. He did not say anything about the company at that time. I was then employed by him as salesman or sales manager to sell lands in Panama, and appoint salesmen. After I engaged the salesmen I was instructed to turn them over to Mr. Smith to get instructions as regards lands. I was to receive \$50.00

(Testimony of John Redpath.)

a week. I know Mr. Barry. I met him at 433 Cons. Realty Bldg. at the office of the defendant. I also met him over at the office of the Panama Development Company. When I went over to the Panama Development Company at Mercantile Place the first time, besides Mr. Lyman I also met Barry, Smith and Mr. Lynn.

Q. And what did Mr. Lyman tell you about your desk or where you would be situated?

A. I asked which desk I should take in the outer office or whether I should take the desk in the inner office and share it with him. This conversation took place, I should judge, about the first week in May, 1911.

Q. When did you first know that your name was used as an officer of the Panama Development Company? [317]

A. I saw my name as Vice-president in some of the literature and I can't remember in what folder it was *on* or what literature it was.

Q. About that time? A. Yes.

Q. Did you speak to Dr. Lyman about that?

A. I did. I asked why my name was there as vice-president. That conversation took place at the same time he showed me where my desk was.

Q. What did he tell you?

A. He said he was organizing a company and had taken the liberty of using my name as vice-president.

Q. What other conversation did you have?

A. I asked why his name didn't appear. He said he didn't wish his name to appear in the corporation

(Testimony of John Redpath.)

at that time on account of a divorce suit that was pending in New York, but that later he would become an official of the company. I was introduced to Mr. Smith by Mr. Lyman as secretary of the Company. He told me Mr. Smith was to manage the outer part of the Company looking after the correspondence and have general charge of the office.

Q. Was it at that time that he told you—or at that same conversation that he told you that after engaging the salesmen you should turn them over to Mr. Smith for instructions?

A. Yes. At that conversation he told me about his relations in Panama. He told me that as agent for the Panamanian Government for the sale of their lands, that he stood in very close with the Panamanian Government officials; that he was able to purchase land at a low rate—fifty cents or a dollar and sell it for \$5.00. At that time there was no map of Panama Lands in the office.

Q. What did Lyman tell you his connection with the company [318] would be?

A. He would take full charge of the company. That is what he told me. He told me he retained the office at 433 Cons. Realty Bldg., because he had other matters on hand that required him to do so at that time. There was very little done the first week that I was there except to see that the office was fixed up with a safe in there and so on. Dr. Lyman called at the office several times every lay. His talk was mostly with Mr. Smith and a little with myself. This map, Ex. 40, was brought into the office shortly

(Testimony of John Redpath.)

after my connection with the company. It was not colored at that time. I had a conversation with Dr. Lyman shortly after this map was brought in as to the location of lands in Panama. He indicated to me on the map where the lands were. The above conversation was had with Lyman perhaps a week or two weeks after I went in.

Q. Where did he indicate to you that the lands were situated?

A. Cocle, Veragua and Chiriqui. He said that the lands in Cocle were suitable for growing bananas and that we had better push the land in that province.

Q. Did he say anything to you about Agua Dulce?

A. Not immediately at that time, but very soon afterwards he said that down at Agua Dulce there was some fine government land there of which he intended to get a plat printed, which would be easier for the salesmen to sell from. He said the ground around Agua Dulce was adapted for bananas and cocoanuts. He talked more of sugar cane in Cocle. He said that we should concentrate our sales to that land and the vicinity of Agua Dulce on account of the sugar cane and the fact that the railroad was going through there and would reach there prior to getting out here.

Q. By here you mean out to David?

A. Yes, sir. He indicated that the timber lands were [319] situated at Veragua. He simply said that there was some very valuable hardwood timber in Veragua that we could sell as agent for the Pana-

(Testimony of John Redpath.)

manian Government. He said he owned 10,000 acres in Chiriqui near David. U. S. Exhibit 48 was the first piece of literature that I saw. I had a conversation with Dr. Lyman about that literature outside of the fact that my name appeared as an officer I asked about the place and about the capitalization and one or two other questions that I cannot recollect exactly, but I went into that part pretty thoroughly. This conversation took place I should judge about the 15th of May, somewheres around there. In the middle of May. I had a conversation with him about the capitalization. The only thing that was said about the capitalization at that time was when I asked him if the capitalization was subscribed, and he said yes.

Q. Did he tell you where to get your information—any further information—about the lands in Panama, outside of what he told you personally? Did he refer you to any other literature or anything of that sort?

A. Well, the literature would speak for itself he always said. I opened a bank account for the Company. It was some time in May. I judge it was a week or so after we started—after the office was opened. We opened two bank accounts. One in the Security Savings Bank and one with the National Bank of California in the name of the Panama Development Company. He told me that I should sign the checks and Mr. Smith should sign the checks with me and in the absence of Mr. Smith, Mr. Lynn. He gave me the money for that. He had an account in

(Testimony of John Redpath.)

the Security Bank just a few weeks. The account was closed at the request of the Security Savings Bank. We then opened an account with the Park Bank. I took the money from the Security Bank and deposited it in the Park Bank.

Q. And you never signed any other checks of the defendant [320] or of the company?

A. No, sir. Dr. Lyman and Mr. Smith "O.K'd." the accounts. I made out checks for their payment. Exhibit 40 when it first appeared in the office was white. I had nothing to do with the coloring of it later. I think Mr. Smith had charge of that. I talked to Dr. Lyman about Mr. Guardia early in May or in the middle of May. He said he was a very influential man. That his son was an officer of the Board and that the Guardias were about the leading family in Panama.

Q. What, if anything, did he say he would do with reference to getting land in Panama?

A. He said that he was the man who would look after the lands in Panama. Dr. Lyman told me that Mr. Smith would attend to all the correspondence in the office of the Panama Development Company. I signed letters myself. I had been instructed to sign letters by Mr. Lyman.

Q. Now did you ever sign any letters which were brought there from Mr. Lyman's office in the Coms. Realty Bldg.? A. Yes, sir.

Q. At his direction? A. Yes, sir.

The WITNESS.—I had a conversation about the middle of May with Dr. Lyman, in regard to the land agreement, U. S. Exhibit 46. He explained to

(Testimony of John Redpath.)

me how these were to be used. I was to sign these and seal them and this power of attorney and land agreement were to be sent to Panama and this was given to the purchaser. The other was to be forwarded to Panama. This power of attorney was to be forwarded to de la Guardia, to file with the Panamanian Government, and that is what I told purchasers.

Q. Did he tell you what was to be done with the money or if any was to be paid to the Panamanian Government?

A. After keeping the profit for the Panama Development [321] Company, the cost of the land—the government land—was to be paid to them. I spoke to him about sending money to the Panamanian Government with the applications. He said it was not necessary to send money at that time and that he would attend to that himself. He told me to tell customers that the applications would be filed immediately and that the conditional title would be issued by the government and when the full amount was paid, the full title would be issued by the government. Miss Hobb, Mrs. McDonald, Mr. Lynn, Dr. Lyman and Miss Clark used to bring correspondence from 433 over to the Panama Development Company. Most of it was signed by Mr. Smith. Sometimes I signed some myself, if Mr. Smith wasn't there.

Q. Did you ever have any conversation with the defendant with reference to sending purchasers over to his office in the Consolidated Realty Build-

(Testimony of John Redpath.)

ing? A. Yes, sir.

Q. Fix that conversation as closely as you can.

A. Well, I have been asked to send over parties who wanted to find out more about Panama, and he being an owner himself and knowing it and not being identified personally,—I mean in the Company—he would be able to aid sales.

Q. Was anything said about suppressing the fact that he was interested in the Panama Development Company? A. Yes.

Q. (By Mr. REGAN.) What did he tell you about that?

A. He told me to send people over there and he would handle them.

Q. What did he tell you about telling that he was connected with the Panama Development Company?

A. He didn't wish it known that he was connected with the Panama Development Company.

Q. Did he say that or is that your construction?
[322]

A. No; he said so; that he didn't wish to be known as an official of the Panama Development Company. Lyman inquired every morning as to the bank balance. I had a conversation with the defendant about the sale of 10,000 acres to an American Colony down at Agua Dulce. He told me that an American colony had purchased 10,000 acres through the company. I never signed any contract for the purchase of 10,000 acres by an American colony, nor by anybody, nor did I ever see such a contract. He said that experts would be sent down there to look

(Testimony of John Redpath.)

after the different lands.

U. S. Exhibit 43 for Identification was here introduced in evidence and marked U. S. Exhibit 43.

The WITNESS.—U. S. Exhibit 43 was used in the office of the Panama Development Company for selling lands, showing people where we could locate them. They were shown the block in which their lands were located and how close they were to the ocean and river. Dr. Lyman told me the lands appearing on U. S. Exhibit 43 were the lands that we should sell.

Q. Now besides this making out of the checks and attending to the hiring of salesmen, etc., did you act in more or less of a capacity as a reference on the part of the other salesmen employed there?

A. Yes, sir, I did.

Q. Who else were employed there as salesmen?

A. Mr. Maynard, Mr. Byrd, Mr. Pentland and Mr. Lynn. Mr. Smith and Mr. Lynn were around there most of the time. Lyman conferred most with Mr. Smith when he came over to the office. I never attended a meeting of the Board of Directors of the Panama Development Company, nor did I ever hear of a meeting of that Board. The information that I gave purchasers I secured from Dr. Lyman and from the literature in the office there.

Q. Now refer back for a moment to your question of the [323] Security Savings Bank, I show you this letter dated "Los Angeles, May 27th, 1911," on Panama Development Company paper, signed "Panama Development Company, by John Red-

(Testimony of John Redpath.)

path," and ask you whether or not you signed that letter? A. Yes.

Q. At whose direction?

Mr. SCHENCK.—Objected to as irrelevant, immaterial, incompetent and not within the issues.

The COURT.—I think that is clearly competent.

Mr. SCHENCK.—I cannot see any connection between that and the indictment. I want to add to that objection that it is hearsay as to this defendant.

The COURT.—I will overrule the objection.

A. Dr. Lyman's. I got those figures from Dr. Lyman, and he asked me to dictate the letter to Miss Clark and I signed it at his request. I first saw the stock-book of the Panama Development Company about the middle of May. Mr. Smith brought the book in and Dr. Lyman called it to my attention. He asked me to make out a certificate for ten shares to de la Guardia and so on. Dr. Lyman gave me instructions to make out certificates, and I made out and signed certificate Number 1 for ten shares to Hernan de la Guardia, certificate Number 2 for ten shares to John Redpath, Certificate Number 3 for ten shares to L. R. Smith, Certificate Number 4 for ten shares to I. N. McDonald, Certificate Number 5 for ten shares to E. A. Lynn, Certificate Number 6 for 3,000 shares to Ferdinand Pottinger, Certificate Number 7 for 1,000 shares to John Redpath, and Certificate Number 8 for 1,000 shares to L. R. Smith. I never signed any other certificates of the Panama Development Company other than just testified to, nor did I ever sign or deliver any of those certificates

(Testimony of John Redpath.)

to the people to whom they were issued.” [324]

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 70.

Mr. SCHENCK.—We object to it as irrelevant, immaterial and incompetent.

The COURT.—The objection is overruled.

The said document was marked United States Exhibit 70, read in evidence and the same is as follows:

**U. S. Exhibit No. 70—Letter, May 27, 1911, Panama
Dev. Co. to Security Savings Bank.**

(Letterhead of Panama Development Company.)

Los Angeles, May 27, 1911.

Security Savings Bank,

Fifth and Spring Streets,

Los Angeles, California.

Gentlemen:—

Herewith please find Statement of our Resources and Liabilities at the close of business, May 26th, 1911:

Resources. (Red)

Mortgages and Loans.....	\$ 5,000.00
Cash in Banks.....	8,310.00
Investments	30,000.00
Bills of Exchange and Cash Ad- vanced	10,000.00
Furniture and Fixtures.....	1,163.00
	<hr/>
	\$54,473.00

(Testimony of John Redpath.)

Liabilities. (Red)

Capital Stock Issued.....\$50,000.00

Bills not yet due..... 4,473.00

\$54,473.00

Yours very truly,

PANAMA DEVELOPMENT CO.

By J. M. REDPATH,

Vice-President. [325]

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 70. Filed October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Q. (By Mr. REGAN.) Referring to the statement contained *to* the Security Savings Bank, U. S. Exhibit 70, "Mortgages and Loans," \$5,000.00 under the head of "Resources," did you have any conversation with Dr. Lyman at all?

A. Yes, sir. I asked him what the mortgages and loans were and he said that was a mortgage on some oil property in Basin, Wyo. I never saw the mortgage, I never knew anything more about it except what he told me with respect to the item of the \$30,000.00 investment, he said that was land owned by the Company in Chiriqui—30,000 acres of land. I never saw any deed to that. I never knew that they had it outside of the statement of the defendant. I never offered to sell this specific land in Chiriqui.

With relation to the item marked "Bills of Exchange and Cash Advanced" he said that was money

(Testimony of John Redpath.)

he had advanced to the Panama Office. I never had a conversation with him about the item "Capital Stock issued."

Representatives of both Bradstreet and Dun called to see me seeking information about the Panama Development Company. After they called I conferred with the defendant in reference to their visits to get information to furnish them, which I gave to them. The copy of a letter which you hand me I signed at the direction of Dr. Lyman. It was mailed in the ordinary course of business. (The letter just identified by the witness was marked U. S. Exhibit 72 for Identification.) The letter you show me dated May 27th, 1911, addressed to Messrs. R. G. Dun & Co., was signed by me at the direction of Dr. Lyman, and the statements contained therein were furnished by him. (The letter just identified was introduced in evidence, marked U. S. Exhibit 73 [326] and reads as follows:)

U. S. Exhibit No. 73—Letter, May 27, 1911, Panama Dev. Co. to R. G. Dun & Co.

(Letterhead of Panama Development Company.)

Los Angeles, May 27, 1911.

Messrs. R. G. Dun & Company,
916 International Bank Building,
Los Angeles, California.

Gentlemen:

Herewith please find statement of our Resources and Liabilities at the close of business, May 26th, 1911:

(Testimony of John Redpath.)

(Red) RESOURCES.

Mortgage and Loans.....	\$ 5,000.00
Cash in Banks.....	8,310.00
Investments	30,000.00
Bills of Exchange and Cash Ad- vanced	10,000.00
Furniture and Fixtures.....	1,163.00
	<hr/>
	\$54,473.00

(Red) LIABILITIES.

Capital Stock Issued.....	\$50,000.00
Bills not yet due.....	4,473.00
	<hr/>
	\$54,473.00

Yours very truly,

PANAMA DEVELOPMENT CO.

By J. M. REDPATH,

Vice-President.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 73. Filed October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The WITNESS.—At the time I went to Dr. Lyman to get information for Dun's and Bradstreet's representatives he told me to tell them that we were acting as agents for the Panamanian [327] Government for the sale of lands belonging to the Government and that is what I told them.

Q. (By Mr. REGAN.) Now I show you what purports to be the minute-book of the Panama Development Company and ask you whether or not you

(Testimony of John Redpath.)

ever saw that book before?

A. Yes, sir, I have seen this book before. Dr. Lyman showed it to me some time in August or July of 1911. The minutes were brought in for me to sign. Dr. Lyman told me to sign them; they were the minutes of May 16, August 8th, August 15th, August 16th and August 21st, 1911. The signatures to the minutes which I have just identified are Mr. Lyman's signatures and mine. I signed the minutes, at the direction of the defendant and handed them back to him. That is the only time I signed any minutes of the meeting of the company, and never at any time did I attend a meeting of the stockholders or directors of the company.

Mr. REGAN.—I now offer in evidence the minutes just identified by the witness and ask that they be marked United States Exhibit 74.

(Mr. Regan thereupon reads the minutes identified by the witness from the minute-book and the said minutes are marked "United States Exhibit 74" and are as follows):

U. S. Exhibit No. 74—Minutes of Meeting of Board of Directors of Panama Dev. Co., May 16, 1911.

Los Angeles, May 16, 1911.

Meeting of the Board of Directors named in the Articles of Incorporation of the Panama Development Company, April 29th, 1911, which held its first meeting in the City of Los Angeles, in the State of California, Eleven o'clock A. M. on the 16th day of May, 1911.

Present, Mess. E. A. Lynn and W. H. Berry, being majority of the said Board. Notice of the meeting having been read, waiver signed by M. La Rue, was presented and filed.

On motion of E. A. Lynn, seconded by W. H. Barry, the following resolution was duly adopted:
[328]

RESOLVED, That I. T. Stoddard and Celora Martin Stoddard, both of Phoenix, are hereby appointed agents of this Company for the acceptance of service of legal process in Arizona, and that notice of such appointment be filed in conformity with the laws of said Territory, the said agents to receive a total annual compensation of ten dollars, payment of which is hereby authorized and directed.

On motion duly made and seconded, Hernan de la Guardia was elected director of the Panama Development Company, in place of M. La Rue, resigned.

On motion duly made and seconded, I. M. McDonald was elected Director of said Company.

On motion duly made and seconded, John Redpath was elected Director of said Company to take the place of W. H. Barry, resigned.

On motion duly made and seconded, the Park Bank of Los Angeles, was appointed depository of the funds of said Company, and John Redpath authorized to open an account with same, and check on same, checks to be countersigned by F. A. Lynn.

On motion duly made and seconded, L. R. Smith was elected Director, of said Company.

On motion duly made and seconded, the National Bank of California, was also appointed depository

of the funds of said Company, and John Redpath, authorized to open an account with same, and check on same, checks to be countersigned by L. R. Smith.

On motion duly made and seconded, Hernan de la Guardia was authorized to open a bank account in Panama, in the name of the Company, check from same, and enter into contracts in its behalf, not to incur an indebtedness, however, to exceed \$5,000 (Five Thousand Dollars) Gold, and to do all things that may be necessary to transact the Company's business.

On motion duly made and seconded, Sr. Hernan de la Guardia, [329] Sr. Santiago de la Guardia and Sr. C. Quelquejeu were appointed an advisory board to pass on the plans of the Company, and aid in securing advantageous contracts in the Republic of Panama.

On motion duly made and seconded, the following Resolution was duly and unanimously adopted:

WHEREAS, the Panama Development Company, a Corporation, is desirous of acquiring 50,000 acres of agricultural and timber lands, in the Republic of Panama, Now therefore, be it

RESOLVED, that said Corporation purchase from John Grant Lyman, 50,000 acres of such agricultural and timber lands at the agreed price of \$2.50 per acre, such lands to be conveyed to the said Corporation in such quantities, and within the afore-said quantity of 50,000 acres, as the said Corporation may desire, and as the said President and Secretary of such Corporation may demand of the said Lyman for delivery; which lands as to quality and availability for the purposes of this corporation shall

be satisfactory to the said President and Secretary or Vice-President and Secretary of said Corporation. The said 50,000 acres purchased hereby from the said Lyman to be received and paid for within one year from June 1st, 1911, and the said purchase price of \$2.50 per acre for all lands to be conveyed as aforesaid to said Corporation by said Lyman to be paid for to said Lyman as follows: \$1.25 per acre at the time of purchase of said lands and \$1.25 within four years from date of said first payment of \$1.25; and the President and Secretary of this Corporation are hereby authorized to carry out this resolution under such further conditions as may be necessary and proper to effect the purposes of this resolution and to execute such agreements relating thereto, as may be necessary,—as to legally carry out this resolution.

On motion duly made and seconded, the following resolution was adopted: [330]

RESOLVED: that the Panama Development Company, a Corporation, dispose of 10,000 shares of its capital stock or any part thereof in the open market to anyone willing to purchase the same at \$10. per share and the President and Secretary of said Corporation are authorized to carry this resolution into effect, and to make, execute and deliver certificates of stock to purchasers for stock that *the* may buy under this resolution.

Adopted.

By JOHN REDPATH,
Vice-President.

By E. A. LYNN,
Asst. Secretary.

**Minutes of Meeting of Board of Directors of Panama
Dev. Co., August 11, 1911.**

Los Angeles, Aug. 8, 1911.

Special meeting of stockholders of the Panama Development Company, held at the office of the Company in Los Angeles, California, on the eighth day of August, 1911, after due notice of the time, place and purpose of the meeting, by the affirmative vote of a majority of the issued and outstanding stock of the company, Article #3 of the Articles of Incorporation of the said Panama Development Company was duly amended to read as follows:

ARTICLE #3.

The amount of the authorized Capital Stock of the corporation is \$100,000., divided into 10,000 shares of the par value of \$10.00 each, which shall be paid in, at such time as the Board of Directors may designate, in cash, real or personal property, services, lease, option to purchase, or any other valuable right or thing, for the uses and purposes of the corporation, and all shares of Capital Stock, when issued in exchange therefor, shall thereupon and thereby become and be full-paid the same as though paid for in cash at par, and shall be non-assessable forever, and the judgment of the Directors as to the value of any property, right or thing acquired in exchange for Capital Stock shall be [331] conclusive.

IN WITNESS WHEREOF, the Vice-President of said Company has hereunto set his hand, attested

by the Secretary of the Corporation, this 9th day of August, 1911.

J. M. REDPATH,
Vice-President.

E. A. LYNN,
Asst. Secretary.

**Minutes of Meeting of Board of Directors of Panama
Dev. Co., August 8, 1911.**

Los Angeles, California, August 8th, 1911.

Meeting of the Board of Directors of the Panama Development Company, held at the offices of the Company, 216 Mercantile Place, Los Angeles, California, at twelve o'clock noon, on the 8th day of August, 1911.

On motion duly made and seconded by vote of all Directors Present, the following resolution was unanimously adopted:

RESOLVED: That the Panama Development Company a Corporation, do sell to John Grant Lyman for the sum of Ten Dollars and for past services by him rendered for said Corporation, the following described land.

'All that Real Property situate in Riverside, County of Riverside, State of California, described as follows: All of that portion of Blocks Seven (7) and Eight (8) and of Lots One (1) and Two (2) in Block Six (6) of D. C. TWOGOOD'S Orange Grove Tract as shown upon a map of said Tract of record in the office of the County Recorder of the County of San Bernardino in Book Seven (7) of *Map* at Page 42 thereof, that is bounded and described as follows, to wit:

Commencing for a place of beginning at a point where the southerly line or Prospect Street (sometimes called Prospect Avenue) intersects the easterly line of Olivewood Avenue; running [332] thence easterly on and along the south line of Prospect Street 326 feet, to a point distant 106.20 feet easterly from the point where the easterly line of Mulberry Street produced, would intersect the said southerly line of said Prospect Street; running thence southerly, at right angles to said southerly line of said Prospect Street, 219.3 feet, to the lands heretofore sold and conveyed to J. C. CHAMBERS: running thence at a right angle westerly 237.4 feet more or less to the easterly line of said Olivewood Avenue; and running thence northerly, along the easterly line of said Olivewood Avenue, 236.5 feet, more or less, to the place of beginning; and being the same property described in Deed from ADALINE TWOGOOD and D. C. TWOGOOD, her husband, to FRANCES B. HALDEMAN, recorded in Book 163 of Deeds at page 135 thereof, in the office of the County Recorder of Riverside County, subject to a Mortgage made September 7th, 1909, to HUGH A. BAIN for Seven Thousand (\$7,000.00) Dollars at seven per cent (7%) interest, and due three (3) years after date, recorded September 22nd, 1909, Book 85, Page 141.'

And the President and Secretary of said Corporation are hereby authorized to execute and deliver on behalf of said Corporation, a deed and conveyance for said land to said John Grant Lyman in the usual form in use in California, sufficient to convey

title to said Land on receipt of the said sum of ten dollars.

ADOPTED:

JOHN REDPATH,
Vice-President.

E. A. LYNN,
Asst. Secretary.

Los Angeles, August 15, 1911.

Meeting of the Board of Directors of the Panama Development Company, held at the offices of the Company, 216 Mercantile Place, [333] Los Angeles, California, at twelve o'clock Noon, on the 15th day of August, 1911.

Present, Mess. E. A. Lynn, I. N. McDonald, John Redpath, and L. R. Smith.

On motion duly made and seconded, by vote of all Directors present, the following resolution was unanimously adopted:

RESOLVED, That the Panama Development Company a Corporation, do mortgage for the sum of \$1100.00, the following property:

To wit: Lot 285, Edendale Track, Los Angeles County.

And the President and Secretary of the said Corporation are hereby authorized to execute and deliver on behalf of said Corporation, a mortgage covering said land in the usual form in use in California, on receipt of the said sum of \$1100.00.

Given under our hand and seal this fifteenth day

of August, nineteen hundred and eleven.

ADOPTED:

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH,

Vice-President.

By F. A. LYNN,

Asst. Secretary.

**Minutes of Meeting of Board of Directors of Panama
Dev. Co., August 16, 1911.**

Los Angeles, August 16th, 1911.

Meeting of the Board of Directors of the Panama Development Company, held at the offices of the Company, 216 Mercantile Place, Los Angeles, California, at twelve o'clock Noon, on the 16th day of August, 1911.

On motion, and by vote of all directors present, the following resolution was unanimously adopted:

WHEREAS, The Panama Development Company, a Corporation, has received and had advanced to it by John Grant Lyman from time to time various sums of money aggregating in all the sum of \$23,000. [334] and all of said money has been received by said Corporation and has by its Officers and Directors been expended for the benefit and for the business purposes of said corporation, and the said sum of \$23,000. is now due and owing to the said John Grant Lyman from said Corporation, now be it therefore:

RESOLVED, That said corporation do make, execute and deliver its on demand promissory note to said John Grant Lyman for the said sum of \$23,000, with interest thereon at the rate of 7% per annum,

which said note shall be in words and figures following:

Los Angeles, California,

\$23,000.

August 16,, 1911.

On demand we promise to pay to the order of John Grant Lyman twenty-three thousand ——— Dollars at 216 Mercantile Place, Los Angeles, California, Value received with interest at 7%.

No. 1 Due.

PANAMA DEVELOPMENT COMPANY.

JOHN REDPATH,

Vice-President.

E. A. LYNN,

Asst. Secretary.

And the President and Secretary of said Corporation are hereby authorized and directed on behalf of said Corporation, to make, execute and deliver said promissory note to said John Grant Lyman.

ADOPTED:

E. A. LYNN,

Asst. Secretary.

Minutes of Meeting of Board of Directors of Panama Dev. Co., August 21, 1911.

Los Angeles, California, August 21, 1911.

Meeting of the Board of Directors of the Panama Development Company, held at the offices of the Company, 216 Mercantile [335] Place, Los Angeles, California, at twelve o'clock noon, on the 21st day of August, 1911.

Present, Mess. E. A. Lynn, I. M. McDonald, John Redpath and L. R. Smith.

On motion duly made and seconded, by vote of

all Directors present, the following resolution was unanimously adopted:

Resolved: That L. R. Smith, Director and Secretary of the Company, is hereby authorized to open a bank account in the name of the Company, enter into contracts on its behalf and to incur indebtedness not, however, exceeding Twenty-five thousand dollars (\$25,000) Gold, and to do all things that may be necessary to successfully transact the Company's business in Panama.

Given under the Company's seal this 21st day of August, Nineteen hundred and eleven.

ADOPTED:

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH,

Vice-President.

(Letterhead of Panama Development Company.)

Los Angeles, Aug. 21, 1911.

Meeting of the Board of Directors of the Panama Development Company, held at the offices of the Company, 216 Mercantile Place, Los Angeles, California, at twelve o'clock noon, on the 21st day of August, 1911.

Present, Messrs. E. A. Lynn, I. M. McDonald, John Redpath and L. R. Smith.

On motion duly made and seconded, by vote of all Directors present, the following resolution was unanimously adopted:

RESOLVED: That L. R. Smith, Director and Secretary of the Company is hereby authorized to open a bank account in the name of the Company, enter into contracts on its behalf and to incur in-

(Testimony of John Redpath.)

debtedness not, however, exceeding Twenty-five Thousand Dollars [336] (\$25,000) Gold, and to do all things that may be necessary to successfully transact the Company's business in Panama.

Given under the Company's seal this 21st day of August, nineteen hundred and eleven.

ADOPTED:

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH,

Vice-President.

(Seal of Panama Development Company:)

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 74. Filed October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I now show you what purports to be a note for \$23,000 dated August 16, 1911, signed Panama Development Company, John Redpath, Vice-president, L. R. Smith, Secretary.

A. That is my signature and that is Mr. Smith's signature. I signed that note at Dr. Lyman's direction and delivered it back to him.

Mr. REGAN.—We offer the same in evidence and ask that it be marked United States Exhibit 75.

(Said note so offered in evidence is marked United States Exhibit 75, read in evidence and is as follows:)

(Testimony of John Redpath.)

**U. S. Exhibit No. 75—Note, August 16, 1911, of
Panama Dev. Co.**

(Letterhead of Panama Development Company.)
\$23,000.00.

Los Angeles, Aug. 16, 1911.

On demand we promise to pay to the order of
JOHN GRANT LYMAN, Twenty Three Thousand
Dollars, at 216 Mercantile Place, Los Angeles, Cali-
fornia, value received with interest at 7%.

No. 1. Due.

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH,

Vice-President.

By L. R. SMITH,

Secretary. [337]

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S.
Exhibit 75. Filed October 23, 1913. Wm. M. Van
Dyke, Clerk. By C. E. Scott, ———.

A JUROR.—Was there any consideration given
for that note?

A. No, sir.

Q. (By a JUROR.) I thought in the other evi-
dence a while ago it was for moneys advanced that
this note was given to Mr. So and So?

A. Yes, sir.

Q. Then there was a consideration?

A. That was a statement that Doctor Lyman
made: That that was the cost of his promotion of
the company and the amount he had expended in

(Testimony of John Redpath.)

making the arrangements with the government of Panama.

The WITNESS.—The letter dated June 3, 1911, which you show me, was signed by me at the direction of Dr. Lyman. I did not dictate the letter. Prior to the writing of this letter the Panama Development Company had made application to the Los Angeles Stock Exchange. (The letter so identified was introduced and read in evidence, marked U. S. Exhibit 76, and reads as follows:)

**U. S. Exhibit No. 76—Letter, June 3, 1911, Panama
Dev. Co. to Los Angeles Stock Exchange.**

(Letterhead of Panama Development Company.)

Los Angeles, June 3rd, 1911.

Manager,

Los Angeles Stock Exchange,

Los Angeles, California.

Dear Sir:

Referring to your favor of the 2nd inst. would say the nature of our business is acting as Agents for the sale of Panama Government lands, and the developing of same on behalf of prospective settlers.
[338]

Later on we expect to be interested in the promotion of several companies, which will engage in raising sugar cane; also a Company to handle tropical products, on the lines of the United Fruit Company, for which there is a wide and lucrative field in Panama.

The enclosed literature is all we have issued thus far, and explains very fully what we are doing.

As to the men connected with the Company; Hernan de la Guardia is generally recognized as the leading agricultural expert in Panama, having been sent by his Government to the United States to make a special study of agricultural conditions here, with particular reference to products that could be successfully raised in Panama.

Santiago de la Guardia is the present Attorney General of Panama, and previous to this was the Secretary of State. He is one of the best known men of the Republic, and the Guardia family is recognized as one of the leading families in Panama, having been identified with the best in that country for years past.

Sr. C. Quelquejeu is head of the firm of C. Quelquejeu & Company, merchants in the City of Panama, and one of the oldest established firms there. Mr. Quelquejeu is undoubtedly the most widely known business man of the Republic.

It is these three gentlemen that practically constitute the directing board of the Company, and all operations are carried on under their advice.

Mr. John Redpath, Vice-president, was formerly connected with the British Bank of North America, and as personal reference refers you to W. H. Andrews, Cashier of the German American Savings Bank.

I. N. McDonald, Treasurer, was until recently engaged in the private work of Senator Wm. A. Clark, who has an office at [339] #20 Exchange Place, New York City. Mrs. McDonald is a lady who rep-

resents a gentleman with a large financial interest in this Company.

L. R. Smith, Secretary, was formerly Manager of the Sonora Mercantile Company, Sonora, Mexico, and as personal reference refers to Mr. Fred Gale of Purcell, Gray and Gale, and as banker's reference, Mr. W. W. Lawton, Cashier of the First National Bank of Douglas, Arizona.

E. A. Lynn, Assistant Secretary, is the son of Dr. T. M. Lynn, of this city, and for personal reference refers to H. M. Hurd, State Senator, and R. G. Simons, President of the Standard Book Company.

Regarding the copy of the balance sheet supplied you, will take up the items in detail—the one of Mortgage and Loans of \$5,000, refers to a loan of \$5,000 to the Basin-Wyoming Oil Company, in which one of the Directors of this Company is interested.

To secure the payment of this loan, a mortgage was given covering 320 acres of oil-bearing lands in the Basin of Wyoming, the land, alone, being conservatively estimated as worth \$100.00 an acre. With this loan was given an option for one year on 50,000 fully paid shares of \$1.00 each, at ten cents per share.

The second item speaks for itself.

The third item, under Investments, refers to a \$15,000 advance to the PANAMA SUGAR ESTATES LIMITED, which Company has an authorized capital of £500,000, divided into shares of \$5.00 or £1 each, which Company was organized to take over and develop 50,000 acres of land near Agua

Dulce, Province of Cocle, Panama, and plant the same to sugar cane.

This company has received 30,000 fully paid £1 shares in return for this advance of \$15,000, and the company is now selling its shares in England at four shillings each. A special [340] settlement in these shares will be obtained on the London Stock Exchange. Later it is our intention to make a public offering of a portion of this Company's treasury stock here, and if the results are satisfactory, application will be made in due course to list the same on the Los Angeles Stock Exchange.

This Company has also made an investment of a like amount in the TROPICAL PRODUCTS COMPANY LIMITED, on the same terms. This latter concern is to devote a large acreage to bananas and cocoanuts, and there is every reason to believe both Companies will prove marked successes, as they are in the hands of thoroughly capable men, who have made a success in similar lines.

Regarding the next item, Bills of Exchange and Cash Advanced, that refers to advances made our agents in Panama, and later will be represented by purchases of land and property now in the way of consummation.

So far as the present operations of the Company are concerned, we do not require a great amount of capital, as from all the Government lands we sell we derive a profit of \$2.50 per acre, or 100%, (this is confidential,) and all our sales are practically on a cash basis.

(Testimony of John Redpath.)

Believing this covers all the points raised in your letter, we are,

Yours faithfully,

PANAMA DEVELOPMENT COMPANY,

By JOHN REDPATH.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 76 Filed October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

The WITNESS.—I am acquainted with the signature of Mr. Smith, and have seen him write.

Mr. REGAN.—I show you United States Exhibit 4 for identification and ask you whether or not the signature there of the [341] Panama Development Company by L. R. Smith—whether that signature of L. R. Smith in your opinion is the signature of L. R. Smith?

A. Yes, sir, in my opinion that is Mr. Smith's signature.

Mr. REGAN.—I offer in evidence United States Exhibit 4 and asked that it be marked United States Exhibit 4.

**U. S. Exhibit No. 4—Letter, May 26, 1911, Panama
Dev. Co. to Stoddard Incorporating Trust Co.**

(Letterhead of Panama Development Company.)

Los Angeles, May 26th, 1911.

Stoddard Incorporating Trust Company,

Phoenix,

Arizona.

Gentlemen:

We should like to have you incorporate a company
entitled—

PANAMA SUGAR ESTATES LIMITED
with an

Authorized Capital of \$2,500,000 (£500,000)

divided into 500,000 shares, of the par

value of \$5.00, or (£1) each.

DIRECTORS

John Redpath

L. R. Smith

I. N. McDonald

which Company is to develop lands in Panama suitable for the cultivation of tropical products, and provide in the Charter it can act as planter, and engage in all forms of agriculture, as well as the building of a sugar mill making the Charter as liberal as possible.

Likewise incorporate a company entitled—
**TROPICAL PRODUCTS COMPANY
LIMITED**

with an [342]

Authorized Capital of \$2,500,000 (£500,000)
divided into 500,000 shares, of the par
value of \$5.00, or (£1) each.

DIRECTORS

John Redpath

L. R. Smith

I. N. McDonald

also to engage in planting of tropical products.

Stoddard Incorporating Trust Company—#2.

Provide that the annual meting of each Company
will be the first Tuesday in May of each year.

Enclosed please find check for \$100.00, covering
your fees. We think, in view of the fact that we
shall give you a very considerable amount of work,
that you should supply us without extra charge, with
additional certified copies of the Articles of Incorporation, as we require three of each.

Very truly yours,

(Signed) **PANAMA DEVELOPMENT COMPANY,**

By L. R. SMITH.

P. S.—Please note that we want the word “Limited” to appear in the title of both Companies with the capital expressed in dollars and pounds, Sterling, and for the purposes of exchange, £1 shall be considered equal to \$5.00.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 4 for Identification. U. S. Exhibit 4. Filed

(Testimony of John Redpath.)

October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I now offer in evidence United States Exhibit 7 for Identification and ask that it be marked United States Exhibit 7.

U. S. Exhibit No. 4—Letter, August 9, 1911, Panama Dev. Co. to Stoddard Incorporating Co.

(Letterhead of Panama Development Company)

Los Angeles, August 9, 1911. [343]

Stoddard Incorporation Co.,

Phoenix, Arizona.

Gentlemen:

We are handing you herewith an Amendment to our Articles of *Corporation* which explain themselves. We believe the document to be in proper form,—all of the stockholders being present at the special meeting mentioned.

We are enclosing check for \$35.00, and would ask that you use all haste possible in getting the matter disposed of for us. We are more than anxious to have the return of these papers as they are wanted for registration in Panama, and the writer is waiting their return to leave for that point, and for this reason, we are very anxious to have the matter rushed.

Thanking you in advance for your efforts in disposing of the matter in all possible haste, we beg to be

Yours very truly,

PANAMA DEVELOPMENT COMPANY

By L. R. SMITH.

S/C.

Enc.

(Testimony of John Redpath.)

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit 7 for Identification. U. S. Exhibit 7. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Mr. REGAN.—I now show you United States Exhibit 51 for identification and call your attention to the circular there which bears your name. Did you see that in the office of the Panama Development Company?

A. Yes, sir. I had very little conversation with Dr. Lyman about the Sugar Estates Company Limited, the conversation I should judge occurred somewhere about the middle of July. He simply said he was organizing a subsidiary corporation to the Panama Development Company for the purpose of planting sugar [344] cane. I also saw my name as Vice-president of the Tropical Products Company. I never attended a meeting of that Company.

Q. Did you ever sign a check as an officer of that company?

Mr. SCHENCK.—Objected to as immaterial and not within the issues of this case.

The COURT.—The objection is overruled.

A. I never signed a check as an officer of the Sugar Estates Co. or of the Tropical Products Company. Neither did I make a deposit for either Company or open accounts for either. I never transacted any business in any capacity that I can recollect for the Panama Sugar Estate Company, or the Tropical Products Co.

Mr. REGAN.—I now offer in evidence United States Exhibit 51 for identification and ask that it

(Testimony of John Redpath.)

be marked United States Exhibit 51.

Mr. SCHENCK.—We object on the ground that it is incompetent, irrelevant and immaterial and not within the issues of this action.

The COURT.—The objection is overruled.

(Mr. Regan thereupon reads United States Exhibit 51.)

(The said Exhibit so read is as follows:)

U. S. Exhibit No. 51—Circular of Panama Dev. Co.

PANAMA SUGAR ESTATES LIMITED.

Authorized Capital \$2,500,000 (£500,000).

Divided into 500,000 shares of the
par value of \$5.00 (or £1) each.

Full paid and Non-assessable.

Officers and Directors.

Hernan de la Guardia, President.

C. Quelquejeu, Vice-President,

John Redpath, Second Vice-President. [345]

L. R. Smith, Treasurer.

Victor Maura, General Manager.

C. J. Wood, Assistant Manager.

I. N. McDonald, Secretary.

This Company has been formed to acquire and develop 50,000 acres of government lands in Panama, suitable for the cultivation of tropical products, and it is proposed to at once put in 20,000 acres of sugar cane, which when planted on a large scale, will yield a profit approximate of \$75.00 an acre, or \$1,500.00 per annum.

It is the intention to gradually increase the acre-

age devoted to sugar cane until 50,000 acres are so planted, which should yield a profit, based upon the present cost of land and labor, of \$3,750,000 per annum.

It is the belief of the directors that no place on earth presents such a combination of favorable conditions for tropical agriculture as exist to-day in Panama, for, with the opening of the canal, all the markets of the world will be within easy reach.

How profitable tropical agriculture really is, can best be shown by the history of the United Fruit Company, which now has over 60,000 acres under cultivation, with one plantation alone, at Banés, Cuba, with 24,000 acres in sugar cane, which is yielding a profit of more than \$1,100, annually, under conditions far less favorable than those existing with this Company.

The United Fruit Company's total operations showed last year an annual net profit exceeding \$4,500,000. This company was started twenty years ago, and it is stated that the original investors who put in \$1,000 each, have withdrawn over \$1,000,000 in dividends. There is no mine, oil well, or industrial proposition in the whole civilized world that can show a greater percentage of profit than is presented in the history of this Fruit Company. [346]

That this is not an isolated case, except in the magnitude of its profits, is shown by the record of the Chaparra Sugar Estates of Cuba, of which Congressman Hawley of Texas, is at the head. This Company now has over 40,000 acres in cane, and is owned by the Cuban American Sugar Company, capitalized at \$18,000,000 on which it is paying a

dividend of 7 per cent, or \$1,260,000 annually, besides setting aside a large surplus from which improvements and extensions are being made.

It must be borne in mind that conditions for growing cane are not nearly so favorable in Cuba as in Panama, and that the production per acre is just about one half, being twenty-three tons in Cuba to forty tons in Panama. It has only been a total lack of transit facilities, with a lack of initiative on the part of the Panamanians, which has prevented Panama from being in the very fore-front of sugar producing countries.

Now that the Panama Government has permitted Americans to acquire lands on the same terms as granted natives, the completion of the canal will bring this district into close touch with the sugar markets of the world, and it is destined to become one of the most profitable industries.

It is not too much to say that no company is better qualified to secure desirable lands, or to obtain better results than the Panama Sugar Estates.

The President, Hernan de la Guardia, is one of the best posted scientific agriculturists in Panama, having been sent by his Government to study agricultural conditions in the United States, where he took special courses in two agricultural colleges. He is the son of the present Attorney General of Panama.

Mr. C. Quelquejeu is head of the firm of C. Quelquejeu & Company, one of the oldest and most widely known mercantile firms in the Republic of Panama. He was born in the Province of Chiriqui,

and is thoroughly familiar with business conditions prevailing [347] in the country in which he has achieved an enviable success.

John Redpath, a director, was formerly connected with the Royal Bank of Scotland, and later with the Bank of British North America. He is now Vice-president of the Panama Development Company.

Victor Maura is a sugar expert from Cuba, who is familiar with every detail of its cultivation and extraction.

Mr. Wood was until recently manager of the State Agricultural Station at Yuma, Arizona, and is an expert agriculturist, having resigned his former position to become identified with this company.

L. R. Smith, a director, is Secretary and General Manager of the Panama Development Company.

It will thus be seen that not only is the Board of Directors composed of men of sound business training, but they are particularly adapted to bringing the business of this company to a successful issue. It is a fair assumption, considering the unusually favorable conditions under which this company will act, that it will eventually achieve a success comparable only to that of the United Fruit Company.

One hundred thousand shares, of the par value of \$5.00 each, are now offered for subscription at \$1.00 per share. It is the confident belief of the directors that before the end of the current year these shares will sell for \$5.00 each.

The first crop of sugar cane will be harvested fifteen months after being planted, and when the com-

pany is in full operation, a handsome dividend, greater than the amount now asked for the shares, should be returned each year, and, based upon the profits now being made by similar companies, 100 per cent per annum on present cost is ultimately not too much to expect.

As a simultaneous offer of these shares is now being made [348] in London, no guarantee can be given that the full number applied for can be allotted, but should no allotment be made, the amount paid will be returned in full, or should any less number than those applied for be allotted, then the proportionate amount of the deposit will be returned.

Application will be made in due course for a special settlement on the London Stock Exchange; likewise for a quotation on the Los Angeles Stock Exchange.

PANAMA SUGAR ESTATES LIMITED.

To the Directors of the Panama Sugar Estates Limited,

216 Mercantile Place,

Los Angeles, California,

Gentlemen:

Enclosed please find check for \$—— covering my subscription at \$1.00 per share for —— fully paid shares, of the par value of \$5.00, or £1 each, of the Panama Sugar Estates Limited.

You are hereby authorized to register me on the books of the Company as a share holder of same.

Name _____

Address _____

(Testimony of John Redpath.)

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit 51 for identification. U. S. Exhibit 51. Filed October 23, 1913. Wm. M. Van Dyke, Clerk. By C. E. Scott, Deputy Clerk.

Q. Did you, as an officer of the Panama Development Company ever know or hear anything about an advance of \$15,000 to the Panama Sugar Estates Company Ltd.?

A. No, sir. I never heard or saw \$30,000 worth of stock of the Sugar Estate Co., which was held as security by the Panama Development Company. I never saw any stock of the Tropical Products Co., I never heard of the Panama Development Company [349] making an investment in the Tropical Products Company. I never signed any stock of the Tropical Products Company as an officer. As far as I know I never did a single act as an officer of the Panama Sugar Estates Company, Ltd. I have no recollection of doing anything with regard to the Tropical Products Company. I remember a man by the name of Amiel in the office of the Panama Development Company. He bought some land from Mr. Byrd. I can't remember how much he bought. He paid cash gold to Mr. Byrd. Mr. Byrd delivered the money to me. I couldn't say how much it was. It was about \$1,000 or something like that. I was present at a conversation that Mr. Lyman had with Amiel. It was in the office of the Panama Development Company, I presume sometime in August and Amiel wanted a position and talked to Dr. Lyman about a position in Panama and Mr.

(Testimony of John Redpath.)

Lyman promised him one with the company. That is all I know about that transaction. I know that Amiel went to Panama after paying his money. I remember a man named Leach who came into the office of the company to buy some land. I partially transacted the business with him. I had a conversation with Mr. Leach with reference to his purchasing some land in Panama and the information which I gave him was information which I had heretofore received as I have testified. After my conversation with Mr. Leach I discussed the matter with Dr. Lyman. This was prior to the date of the contract, which contract was dated August 10th. I told Dr. Lyman that Leach had a house at Edendale which he valued at \$2,500, which was clear and that he would trade for Panama lands. Dr. Lyman told me to go out and look at the house and put a valuation on it, which I did. I reported to Dr. Lyman and told him that in my judgment the house was worth \$2500. Lyman then said to make a trade for it. He said to give him 1000 acres for it. The value of the property was \$2500 and that was to be the first payment on 1000 acres in Agua Dulce. Lyman indicated where to [350] locate Leach's land. It was block 49, the one marked "Sold." After I received that communication from Lyman a deed was executed by Mrs. Leach and delivered to me as vice-president of the Panama Development Company. At that time there was executed a land agreement between the company and Mrs. Leach.

Mr. REGAN.—I now offer the deed in evidence

(Testimony of John Redpath.)

and ask that it be marked United States Exhibit 77.

(Said document so offered in evidence is marked United States Exhibit 77 and is as follows:)

U. S. Exhibit No. 77—Deed, August 10, 1911, Elizabeth Leach to Panama Dev. Co.

“GRANT DEED

(Code Deed)

C. C. Sec. 1092

Elizabeth Leach, widow — of Los Angeles, of the county of Los Angeles, State of California, **FOR AND IN CONSIDERATION OF THE SUM OF Two Thousand Five Hundred (2500) Dollars**, the receipt whereof is hereby acknowledged, does hereby Grant to the Panama Development Company **ALL THAT REAL PROPERTY SITUATE IN** Los Angeles, County of Los Angeles, State of California, described as follows: Lot 285, Edendale Tract, as per Book 2, page 81-82 of Maps, Records of Los Angeles, County.

WITNESS My hand this Tenth day of August, nineteen hundred and eleven.

ELIZABETH LEACH. (Seal)

_____. (Seal)

_____. (Seal)

Signed and delivered in the presence of

State of California,
County of Los Angeles,—ss.

On this 10th day of August, in the year nineteen

hundred and eleven, before me R. J. McClelland, a notary public in and for said county, residing therein, duly commissioned and sworn, [351] personally appeared Elizabeth Leach known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same.

WITNESS my hand and official seal.

[Seal]: R. J. McCLELLAND,
Notary Public in and for said County of Los Angeles,
State of California.

(Title.)

No. ——.
GRANT DEED.
(Code Deed.)

to

_____.

Dated ———, 191—.

Order No. 157.

When Recorded, please mail this instrument to

_____.

(Rubber stamp.)

Compared.

Document — Miller.

Book — ~~Cole~~ Wise.

Recorded at request of Grantee August 10, 1911,
at 16 min. past 1 P. M. in Book 4648, Page 210, of

(Testimony of John Redpath.)

Deeds Los Angeles County Records.

C. L. LOGAN,

County Recorder.

By R. L. Hazen, Deputy.

Fee \$ 80

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4

7

346

[Endorsed]: 672. U. S. v. Lyman. U. S. No. Exhibit 77. Filed October 28, 1913. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Deputy Clerk." [352]

Q. Now, at that time was there executed a land agreement between the Company and Mrs. Leach?

A. Yes; there was.

Q. I show you this land agreement and ask you whether or not those were the papers that were executed at the time the deed was executed. Examine those papers and state whether or not those were executed at the time the deed was executed.

A. Yes, sir.

Mr. REGAN.—I now offer the same in evidence and ask that they be marked United States Exhibit 78. They are the same as United States Exhibit 46, with this exception: the blanks are filled in and the documents are executed.

(Said documents so offered in evidence are marked United States Exhibit 78, read in evidence and are as follows:)

**U. S. Exhibit No 78—Agreement August 10, 1911,
Panama Dev. Co. and Elizabeth Leach.**

**“PANAMA DEVELOPMENT COMPANY.
LAND AGREEMENT.**

THIS AGREEMENT made and entered into this Tenth day of August, 1911, by and between the PANAMA DEVELOPMENT COMPANY, a CORPORATION hereafter known as the party of the first part, and Elizabeth Leach of Los Angeles, California, U. S. A., party of the second part.

WITNESSETH:

The said party of the second part, being desirous of purchasing One Thousand acres of Government land in the Province of Cocle, Republic of Panama, and whereas the party of the first part, through its authorized agents, is able to locate and purchase said land as an agent for the party of the second part.

NOW THEREFORE, the said party of the second part does hereby authorize, appoint, designate and name the PANAMA DEVELOPMENT COMPANY as her true and lawful agent and attorney to purchase in the name of the party of the second part One Thousand acres [353] of agricultural land suitable for the cultivation of Sugar Cane and ——— acres of timber land in the Province of Cocle (Bk. 49) Agua Dulce, Colony, Republic of Panama.

IT IS FURTHER AGREED that for and in consideration of the party of the first part through its authorized agents locating and purchasing said lands, the party of the second part hereby agrees to pay

to the party of the first part the sum of \$2.50 per acre for each and every acre so located and purchased.

AND IT IS FURTHER AGREED by and between the parties hereinbefore mentioned, that a further sum of \$2.50 for each and every acre so located and purchased shall be paid to the party of the first part within a period of four years, it being optional upon the party of the second part as to when it shall complete title during the period named, it being mutually understood and agreed that the party of the second part shall not be called upon to pay any interest or taxes under this agreement.

IN WITNESS WHEREOF the parties to these presents have hereunto set their hands and seals the day and year first above written.

[Seal]: PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH, (Seal)
Vice-Pres.

ELIZABETH LEACH. (Seal)

Signed, sealed and delivered in the presence of
G. L. MAYNARD. (Seal)

(Second Page.)

PANAMA DEVELOPMENT COMPANY.

Received on the within contract the sum of
Twenty-Five Hundred Dollars (\$2500.00).

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH,
Vice-Pres. [354]

“POWER OF ATTORNEY.

KNOW ALL MEN BY THESE PRESENTS
that I do hereby constitute and appoint SENOR

(Testimony of John Redpath.)

HERNAN DE LA GUARDIA my true and lawful Attorney with full power of substitution for me and in my name and stead to locate and purchase Government land in the Republic of Panama, and to attend to all matters pertaining to same with all the powers I would possess if personally present.

IN WITNESS WHEREOF I have hereunto set my hands and seal this 10th day of August, 1911.

ELIZABETH LEACH. (Seal)

Signed, sealed and delivered in the presence of
G. L. MAYNARD. (Seal)"

Mr. REGAN.—As a further part of that exhibit is a duplicate of the document which I just read to you, and, in addition, a power of attorney, which I read also. I now offer in evidence the agreement just identified by the witness as parts of the papers executed by Mrs. Leach, and ask that it be marked United States Exhibit 79.

(The said document so offered in evidence is marked United States Exhibit 79, read in evidence and is as follows:)

**U. S. Exhibit No. 79—Agreement—August 9, 1911,
Panama Dev. Co. and Elizabeth Leach.**

"No. 155."

AGREEMENT made this 9 day of August, nineteen hundred and eleven, between the PANAMA DEVELOPMENT COMPANY, a corporation, *part* of the first part, and Elizabeth Leach, of Los Angeles, party of the second part.

WITNESSETH:

WHEREAS, the party of the second part is the owner of certain Sugar lands in Panama, located in the Province of Cocle, Panama, and whereas the party of the second part desires the same cleared, cultivated and planted to Sugar Cane.

NOW THEREFORE, it is mutually agreed by and between the parties hereto, that the party of the first part in consideration of receiving one-half of the crop, will clear or cause to be cleared, One Thousand acres of sugar land, planting the same with sugar cane and harvesting and selling the crop, and take one-half of net return in full payment of same.

IT IS MUTUALLY UNDERSTOOD AND AGREED that the party of the first part will render the party of the *secnd* part true and accurate accounts of expenses and disbursements, together with receipts from sugar cane, and that these accounts will [355] be certified to by a competent auditor, approved by both parties.

FURTHERMORE, that the party of the second part may at all times have access to the accounts covering said development work.

This agreement to continue for four years from date and to expire August 9, nineteen hundred and fifteen, unless previously dissolved by mutual consent.

Witness our hands and seals this 9 day of August, nineteen hundred and eleven. Development to begin

(Testimony of John Redpath.)

within nine months from this date.

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH.

ELIZABETH LEACH.

Witness:

G. L. MAYNARD.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 79. Filed October 28, 1913. Wm. M. Van Dyke. By Robert E. Rinehart, Deputy Clerk.

I retained copies of the first paper marked Land agreement, and Power of Attorney and those were to be sent to Panama to be filed with the Panama Government. Mrs. Leach was so told at that time. Mrs. Leach retained the first page of the land agreement and the receipt for \$2500 to Mr. Smith at New Orleans at Lyman's request, and about that time I gave him a check for \$300. The papers which I retained were filed in our office. I next saw them in the Consolidated Realty Bldg., in the early part of September, after Lyman left Los Angeles. Immediately after this transaction with Mrs. Leach was consummated, I had a conversation with Dr. Lyman with reference to the disposal of the property. He instructed me to borrow as much as I could possibly get on it. I told him that I judged we could raise [356] \$1200. Lyman said that that was the quickest way to turn the property into money at that time. I made efforts to mortgage it and finally mortgaged it for \$1100. I deposited it to the credit of the company and sent \$300 to ——. I executed the mortgage at the direction of Dr. Lyman. Mr. Smith de-

(Testimony of John Redpath.)

layed his trip to Panama on account of the shortage of funds awaiting the consummation of this Leach deal. I have known Haldeman for about 20 years. He came to the Panama Development Company early in June. I introduced him to Dr. Lyman. Mr. Haldeman and Mr. Lyman left me and went into the front office and looked over the map. I told Lyman that the Haldemans had property in Riverside which was mortgaged. I knew the property myself and knew they had an equity of at least \$10,000 in that property. Mr. Haldeman wished to go down to Panama to raise sugar and other things and he offered to make a trade. I spoke to Dr. Lyman about it and he told me to go ahead and give them—we called the equity \$10,000—and give him the 2,000 acres of land in Panama Government land—for the equity. We looked over the Agua Dulce map and Lyman said “give him that 1,000 acres” (indicating) the one marked JCH, Lot 47, known afterwards as the Haldeman Purchase. I received instructions from the defendant with reference to the Haldeman purchase. He said the Haldeman purchase was a good thing to tell people about. That it was a good sale. Another contract was made at the same time for 2,000 acres with Mrs. Haldeman.

Q. I show you this agreement and ask you whether or not this is part of the land agreement which was executed at that time—whether that is the part that the company kept?

A. Yes, sir, this is the part the company kept; that was the power of attorney that was executed by Mrs. Haldeman.

(Testimony of John Redpath.)

Q. What was she told would be done with the papers kept by the Panama Development Company?
[357]

A. That they would be filed and that she would get a title in due time.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 81.

U. S. Exhibit No. 81—Agreement, Panama Development Co. and Frances B. Haldeman.

“PANAMA DEVELOPMENT COMPANY.

LAND AGREEMENT. No. 23

THIS AGREEMENT made and entered into this *Two Thousand* day of June, 1911, by and between the PANAMA DEVELOPMENT COMPANY, a CORPORATION hereafter known as the party of the first part, and Frances B. Haldeman of Riverside, California, U. S. A., party of the second part.

The said party of the second part, being desirous of purchasing two thousand acres of Government land in the Provinces of Cocle Chiriqui Veraguas, Republic of Panama, and whereas the party of the first part, through its authorized agents, is able to locate and purchase said land as an agent for the party of the second part.

NOW, THEREFORE, the said party of the second part does hereby authorize, appoint, designate and name the PANAMA DEVELOPMENT COMPANY as my true and lawful agent and attorney to purchase in the name of the party of the second part Two Thousand acres of agricultural land suitable for

the cultivation of 1000 Sugar, 500 Coffee Bananas, 100 Cocoanuts and Four hundred acres of timber land in the Provinces of Cocle Chiriqui Veraguas, Republic of Panama.

IT IS FURTHER AGREED that for and in consideration of the party of the first part through its authorized agents locating and purchasing said lands, the party of the second part hereby agrees to pay to the party of the first part the sum of \$2.50 per acre for each and every acre so located and purchased.

AND IT IS FURTHER AGREED by and between the parties hereinbefore [358] mentioned, that a further sum of \$2.50 for each and every acre so located and purchased shall be paid to the party of the first part within a period of four years, it being optional upon the party of the second part as to when she shall complete Title during the period named. It being mutually understood and agreed that the party of the second part shall not be called upon to pay any interest or taxes under this agreement.

IN WITNESS WHEREOF the parties to these presents have hereunto set their hands and seals the day and year first above written.

PANAMA DEVELOPMENT COMPANY.

JOHN REDPATH, (Seal)

Vice-Pres.

FRANCES B. HALDEMAN. (Seal)

Signed, sealed and delivered in the presence of

L. R. SMITH. (Seal)

(Testimony of John Redpath.)

“Had P. of Atty.”

“No. 23.”

POWER OF ATTORNEY.

KNOW ALL MEN BY THESE PRESENTS that I do hereby constitute and appoint SENOR HERNAN DE LA GUARDIA my true and lawful attorney with full power of substitution for me and in my name, place and stead to locate and purchase Government land in the Republic of Panama, and to attend to all matters pertaining to same with all the powers I would possess if personally present.

IN WITNESS WHEREOF I have hereunto set my hands and seal this twenty fourth day of July, 1911.

FRANCES B. HALDEMAN. (Seal)

Signed, sealed and delivered in the presence of

L. R. SMITH. (Seal)

[Endorsed]: 672 ——. U. S. v. Lyman. U. S. No. Exhibit 81. Fld. Oct. 28, 1913. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Deputy Clerk.
[359]

Q. (Mr. REGAN). After this land agreement and power of attorney, U. S. Exhibit 81 left the office of the Panama Development Company, where did you next see it?

A. I saw it in my attorney's office, as far as I know it never reached Panama.

Q. I show you this agreement and ask you whether or not this agreement for cultivation was executed at the same time.

A. All executed at the same time.

(Testimony of John Redpath.)

Mr. REGAN.—I offer it in evidence and ask that it be marked United States Exhibit 82. It is dated June 24, 1911.

(The said document so offered in evidence is marked United States Exhibit No. 82, is read in evidence and is as follows:)

**U. S. Exhibit No. 82—Agreement—June 24, 1911,
Panama Dev. Co. and Frances B. Haldeman.**

“AGREEMENT made this twenty-fourth day of June, 1911, between the PANAMA DEVELOPMENT COMPANY, a corporation, party of the first part, and FRANCES B. HALDEMAN, of Riverside, California, party of the second part:

WITNESSETH: WHEREAS, the party of the second part is the owner of certain sugar lands in Panama, located in the Province of Cocle, Panama, and whereas the party of the second part desires the same cleared, cultivated and planted to sugar cane,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto, that the party of the first part in consideration of receiving one-half the crop, will clear or cause to be cleared, one thousand (1000) acres of sugar land, planting the same with sugar cane and harvesting and selling the crop, and take one-half of gross returns in full payment for same.

IT IS MUTUALLY UNDERSTOOD AND AGREED that the party of the first part will render the party of the second part true and accurate accounts of expenses and disbursements, together with

(Testimony of John Redpath.)

receipts from sugar cane, and that these accounts will be certified to by a competent auditor, approved by both parties. [360]

FURTHERMORE, that the party of the second part may at all *time* have access to the accounts covering said development work.

This agreement to continue for three years and five months and six days from date and to expire November 1st, 1914, unless previously dissolved by mutual consent.

Witness our hands and seals this twenty-fourth day of June, 1911.

PANAMA DEVELOPMENT CO. (L. S.)

JOHN REDPATH,

Vice-President.

FRANCES B. HALDEMAN. (L. S.)

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 82. Fld Oct. 28, 1913. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Deputy Clerk.

After the completion of the Haldeman deal the defendant said he desired to sell the property and afterwards came in with a deed to himself which he wished to be executed. I had a conversation with him at that time as to why it was done. He said that money was required to pay the Panamanian Government. He said he wanted to deed it to himself to raise money. He brought the deed to me for execution. He told me to sign it and I signed it.

Mr. REGAN.—I now offer in evidence United States Exhibit 84. This is a grant deed of the Halde-

(Testimony of John Redpath.)

man property, just received by the Panama Development Company, from the Panama Development Company to John Grant Lyman of the City of Los Angeles in consideration of \$10.00 It was executed on the 14th day of August, 1911, signed Panama Development Company, by John Redpath, Vice-President, by L. R. Smith, Secretary, and bears the seal of the Panama Development Company. Acknowledged by John Redpath and L. R. Smith, and there appears on the back the endorsement "Received for record August 18, 1911, at 26 minutes past 11 o'clock A. M. at request of grantee, J. S. Logan, recorder, Riverside County." [361]

Mr. REGAN.—I show you this deed executed by Mr. and Mrs. Haldeman an the Panama Development Company, dated the 29th day of June, 1911, and ask you whether or not that deed was received by the Company. I will ask you whether or not the deed was executed by Mr. and Mrs. Haldeman and received by the Panama Development Company?

A. Yes, sir.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 83.

(The said deed so offered in evidence is marked United States Exhibit No. 83 and the said deed is as follows:)

**U. S. Exhibit No. 83—Deed, June 29, 1911, Frances
B. Haldeman et al. and Panama Dev. Co.**

“GRANT DEED

(Code Deed)

C. C. Sec. 1092.

FRANCES B. HALDEMAN AND ROBERT J. HALDEMAN, her husband, of Riverside, of the County of Riverside, State of California. FOR AND in CONSIDERATION OF THE SUM OF Seventeen Thousand (\$17,000.00) Dollars the receipt whereof is hereby acknowledged, do hereby Grant to the PANAMA DEVELOPMENT COMPANY, of Los Angeles, California,

ALL THAT REAL PROPERTY SITUATE IN Riverside, County of Riverside State of California, described as follows: All of that portion of Blocks Seven (7) and Eight (8) and Lots One (1) and Two (2) in Block Six (6) of D. C. TWOGOOD'S Orange Grove Tract as shown upon a map of said Tract of record in the office of the County Recorder of the County of San Bernardino in Book Seven (7) of Map — at page 42 thereof, that is bounded and described as follows, to wit:

Commencing for a place of beginning at a point where the southerly line of Prospect Street (sometimes called Prospect Avenue) intersects the easterly line of Olivewood Avenue; running thence easterly on and along the south line of Prospect Street [362] 326 feet to a point distant 106.20 feet easterly from the point where the easterly line of Mulberry Street

produced, would intersect the said southerly line of said Prospect Street; running thence southerly at right angles to said southerly line of said Prospect Street, 219.3 feet, to the lands heretofore sold and conveyed to J. C. Chambers: running thence at a right angle westerly 237.4 feet more or less to the easterly line of said Olivewood Avenue: and running thence northerly, along the easterly line of said Olivewood Avenue, 236.5 feet, more or less, to the place of beginning; and being the same property described in Deed from ADALINE TWOGOOD and D. C. TWOGOOD, her husband, to FRANCES B. HALDEMAN, recorded in Book 163 of Deeds at page 135 thereof, in the office of the County Recorder of Riverside County, subject to a Mortgage made September 7th, 1909, to HUGH A. BAIN for Seven Thousand (\$7,000.00) Dollars, at seven per cent (7%) interest, and due three (3) years after date, recorded September 22nd, 1909, Book 85, page 141.

WITNESS their hands this twenty-ninth day of June, nineteen hundred and eleven.

FRANCES B. HALDEMAN. (Seal)

ROBERT J. HALDEMAN. (Seal)

Signed, sealed and delivered in the presence of

M. E. CAREY,

JOHN REDPATH.

State of California,

County of Los Angeles,—ss.

On this 29th day of June in the year nineteen hundred and eleven, before me, M. E. Carey (a Notary

(Testimony of John Redpath.)

Public in and for said County, residing therein, duly commissioned and sworn, personally appeared. Francese B. Haldeman and Robert J. Haldeman, her husband known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they [363] executed the same.

WITNESS my hand and official seal.

(Seal)

M. E. CAREY,

Notary Public in and for said County, State of California.

My commission expires March 8, 1913.

[Endorsed]: No. 4. GRANT DEED. (Code Deed). Haldeman to Panama D. Co., 216 Mercantile Bldg., Dated L. A. 19—. Received for Record Jun. 30, 1911, at 19 min. past 9 o'clock A. M. at Request of Grantee. Copied in Book No. 331 of Deeds, page 64 et seq., Records of Riverside County, California. J. S. Logan, Recorder. By ———, Deputy Recorder. Fees, \$1.50.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit No. 83. Filed Oct. 28, 1913. Wm. M. Van Dyke, ——. By Robert E. Rinehart."

"After the Haldeman property had been received, the defendant asked me to make an effort to sell the property, and I advertised the property for sale here in Riverside and tried to get a purchaser for it."

Q. Do you remember a man named Ryan?

A. Yes, sir. I met him in the office of the Panama Development Company. I had a talk with

(Testimony of John Redpath.)

Ryan in the presence of Lyman about his knowledge of Panama lands. Ryan said he knew Chiriqui, Bocas del Toro, and Panama in general. This conversation occurred in June.

Q. What did Lyman tell you about Ryan?

A. Lyman said that Ryan was an expert on Panama lands and a good hand for cultivation—to look after cultivation.

Q. Now, I will show you this document and ask you whether or not you signed that.

A. I signed that, at the direction of Dr. Lyman. That [364] is Mr. Ryan's signature.

Mr. REGAN.—I now offer the same in evidence and ask that it be marked United States Exhibit 85.

(The said document so offered in evidence is marked United States Exhibit 85, read in evidence and is as follows:)

**U. S. Exhibit No 85—Agreement, June 23, 1911,
Panama Dev. Co. and E. D. Ryan.**

“AGREEMENT made this 23 day of June, 1911, between the PANAMA DEVELOPMENT COMPANY, a corporation, party of the first part, and E. D. RYAN, party of the second part:

NOW, therefore, WITNESSETH: It is hereby mutually agreed that the party of the first part shall employ the party of the second part as General Manager of the said company in all the operations of the said company have or may have in the Republic of Panama.

The party of the second part agrees to explore

land in the Republic of Panama and make report to the said party of the first part, the culture advised, and any other information he may obtain.

The party of the first part agrees to pay all traveling expenses of the party of the second part and a salary of \$100 U. S. C. per month, while traveling on behalf of said party of the first part.

The party of the first part also agrees to pay the party of the second part an additional amount of \$150. U. S. C. per month when cultivation is started.

The party of the first part also agrees to hold in trust 5% of the stock of the company, the dividends of same to be paid to the party of the second part, until they shall equal the sum of \$250. U. S. C. per month; after which the party of the first part shall be called upon to make payments of dividends on 2% of the company's stock to the party of the second part; these dividends do not include any profit made from sale of raw land.

The party of the second part agrees to carry out the instructions [365] of the party of the first part to the best of his ability and to give the party of the first part the advantage of any and all information that he may acquire and to give the party of the first part the benefit of all options or property that he may secure at the net cost to him.

This agreement to begin on the first day of July, 1911, and to continue until the first day of July,

1914, unless previously cancelled by *mutal* consent.

PANAMA DEVELOPMENT COMPANY.

By JOHN REDPATH, (L. S.)

Vice-Pres.

E. D. RYAN, (L. S.)

Witness.

G. L. MAYNARD.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 85. Filed Oct. 28, 1913. Wm. M. Van Dyke. By Robert E. Rinehart, Deputy Clerk.

Shortly after the execution of that agreement with Ryan he left for Panama. I gave Ryan money to buy supplies and money to take him down there. This was done at Doctor Lyman's direction. After Ryan left I had a conversation with Lyman about Smith going down to Panama. Lyman said he was prepared to send Smith down there as soon as possible for the purpose of getting the office into shape in Panama, to file the contracts with the Government and look after the land. Lyman asked Smith in my presence to report the conditions down there and Smith said he would. I asked Lyman several times in Smith's presence why these contracts were not filed and he said he would attend to it. After the conversation the contracts were sent over to the Consolidated Realty Building to the office of Dr. Lyman. The next time I saw the contracts was after Lyman left for San Francisco, the last of August. I saw them in bulk. So far as I [366] know they were all there. I didn't examine the contracts to see. Lyman said he was going to raise the

price of land from \$5.00 to \$6.00 an acre. About the last week in August Lyman told me he was going up to San Francisco on business of the Company and would be gone about a week. He said Byrd was going to the house on Hobart Boulevard to keep it while he was away.

There was an automobile there that was used by Lyman. It was not in the service of the company all the time. If a salesman wanted to use it he had to ask Dr. Lyman for it. I paid the chauffeur by check drawn on the Panama Development Company, and also made payments for the automobile from the account of the company. At this time Amiel, Smith and Ryan had gone to Panama. Up to August 30, 1911, creditors had been coming in for money with accounts. The letter you show me was received through the mail. (The letter so identified was introduced and read in evidence, marked U. S. Exhibit 88, and reads as follows:)

**U. S. Exhibit No. 88—Letter, September 1, 1911,
“L” to “Redpath.”**

(Letterhead Hotel St. Francis.)

September 1, 1911.

Dear Mr. Redpath:—

When is the Howard note due? Call them up and tell them you would like to pay \$250 on account and give them a new note for \$500 to run 30 days for the balance.

Don't worry about the *Segogram*, or the other advertising business for that matter, as they have all had a lot of money and can well afford to wait on

you, if necessary. You should be able to sell that Edendale house at a price. Have you given it to the other broker? Advertise the Atlanta Oil Stock for sale, providing it is not already sold. There is no use waiting on those people longer. All Honolulu reports are very favorable, and we surely shall be able to win out there. Now, don't worry, you have got nothing but trifles there to annoy you, and there is no reason for being disturbed. Will get busy as soon as you [367] send me up the information asked for yesterday.

Sincerely yours,

L.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 88. Fld. Oct. 28, ——. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Depty Clerk.

■ The letter dated Sept. 4. 1911, which you show me was received by me. (The letter referred to was introduced and read in evidence, marked U. S. Exhibit 89, and reads as follows:)

**U. S. Exhibit No. 89—Letter, September 4, 1911, ———
to "Mr. Redpath."**

(Letterhead of Hotel St. Francis).

San Francisco, Sept. 4, 1911.

Dear Mr. Redpath:

There is something wrong with the way you mail letters there. Yours *wirtten* Sept. 2nd at 1:00 P. M. was only received this morning. I note what you have to say regarding the small bank balance and that collectors are around with bills for about \$1,000. Thank heaven, my dear Mr. Redpath, they are not

judgments; if all I had to consider was a few unpaid bills I should consider myself in clover, but there are matters much more serious than this. First off, we must take care of Smith; what his real difficulties are I cannot imagine, but I know Guardia can help him if he really desires, and he must be forced to do so. Thus far I have not been able to raise a solitary cent here, and it does not look as though I could count on any money before the 14th inst. I am doing everything I possibly can short of going out and knocking somebody down and taking it away from them.

Now as to the bills, it does not seem to me that you have anything more serious to immediately meet than the Howard bill, which surely can be extended with a small payment; or at the worst assign over to him the Allendale Property, and as to the rest of the bills, simply tell the collectors we cannot pay them; at the very worst they can do no more than sue, which they are not [368] likely to do for a week or two, and if we get a little time, we will be all right. Those that are very insistent give them thirty day notes. Meanwhile get busy with everybody possible and try and raise as much cash as possible. I don't see that I could be any possible help there other than to stave off these collectors, which you certainly ought to be able to do. I am trying hard to raise some money here and I am thoroughly convinced from the talk I had with a Hawaiian Sugar planter last night that it will be possible to raise there all we require and put us in clover, but I can't be in two or three places at once, and it seems to me the most

(Testimony of John Redpath.)

important place for me is where money can be raised rather than trying to run that office; no one is more interested in its future, or has a greater stake, than I have, as every dollar I possess is in the business, and am doing everything I possibly can to save it and will continue to do so until the very last drop out of the gun; but it certainly is discouraging to feel that I have got to take care of the office and meet collectors, which after all is not a difficult thing to do, and one which you should be able to take care of; to be sure, it is disagreeable, but there are a great many things that are worse, but if you can put up to our people that we are willing and anxious to pay and will pay, it ought not to be very difficult to put them off for a while until money can be raised to take care of them. I am attempting to do this without regard to what success you may meet with, but I cannot do it on an instant's notice. Go to the party who bought the Montbello property and say to them that if they will give you \$1500. this week you will turn the property over to them. This is a discount of \$500 and ought to be a sufficient inducement to get them to deal.

Yours truly,

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 89. [369] Fld. Oct. 28, 1913. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Deputy Clerk.

The WITNESS.—The cablegram you show me was received by me at about the date it bears. (The

(Testimony of John Redpath.)

cablegram so identified was introduced and read in evidence, marked U. S. Exhibit 91, and reads as follows:)

**U. S. Exhibit No. 91—Telegram, September 4, 1911,
to "Panamano."**

(Western Union Cable Message Blank).

Panama, Sept. 4-11.

Panamano

Los Angeles (California)

What do you propose to do? Cannot hold out much longer. Why dont you *anser*? Will be arrested unless you can settle. Amiel serious.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 91. Fld. Oct. 28, 1913. Wm. M. Van Dyke, ————. By Robert E. Rinehart, Deputy Clerk.

The WITNESS.—the telegram you show me was sent by me to Lyman. (The telegram so identified was introduced and read in evidence, marked U. S. Exhibit 92, and reads as follows:)

U. S. Exhibit No. 92—Telegram "R" to J. G. Lyman.
(Western Union blank.)

Los Angeles, Cal. 4.

J. G. Lyman,

Genl. Dely.

San Francisco, Cal.

Come back immediately very serious Smith has cabled twice Wire office.

R.

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 92. Filed Oct. 28, 1913. Wm. M. Van

(Testimony of John Redpath.)

Dyke. —————, Deputy Clerk.

The WITNESS.—The telegram you now show me was received by me and the writing at the bottom is my own, and is a copy of the telegram sent in reply. (The telegram referred to [370] and writing on the bottom was then introduced and read in evidence, marked U. S. Exhibit 93, and reads as follows:)

U. S. Exhibit No. 93—Day-Lettergram, September 5, 1911, "L" to John Redpath.

(Western Union Day Letter Blank.)

San Francisco, Sept. 5, 1911.

John Redpath,

216 Mercantile Place, Los Angeles, Cal.

Am doing everything that lies within my power to raise the necessary money and have so cabled Smith. Meanwhile do not relax your own efforts to raise the necessary funds. Try on the Montabello property as suggested in yesterdays letter. Am mailing something that may held raise necessary funds.

L.

Mr. REGAN.—On the bottom in the handwriting of the witness is: 243 p.

Answer.

Wire rec. demand made by contract holders for One Thousand Dollars within 24 hours, nothing in sight here Come at once.

[Endorsed]: 672—Crim. U. S. vs. Lyman. U. S. Exhibit No. 93. Filed Oct. 28, 1913. Wm. M. Van Dyke. By Robert E. Rinehart, Deputy Clerk.

(Testimony of John Redpath.)

The WITNESS.—The cablegram dated Sept. 5. 1911, was received by me. (A translation of the cablegram so identified was introduced and read in evidence, marked U. S. Exhibit No. 94, and reads as follows:)

U. S. Exhibit No. 94—Cablegram, September 5–11,—
“Panamano.”

(Cable Message Blank, Western Union.)

Sept. 5–11.

Panamano,

Los Angeles, (Cal)

Amiel will refer the matter to consul. Will suspend operations California unless settled in full. Immediate action will be taken. Why dont you answer? [371]

[Endorsed]: 672—Crim. U. S. v. Lyman. U. S. Exhibit No. 94. Filed Oct. 28, 1913. Wm. M. Van Dyke, Clerk. By Robert E. Rinehart, Deputy Clerk.

The WITNESS.—The cablegram you now show me was received by me. (Said cablegram was introduced and read in evidence, marked U. S. Exhibit 95, and reads as follows:)